

ALASKA LEGISLATIVE COMMITTEE ON PUBLIC UTILITIES

2122 HT HB 648 through HB 654 (TRANSP. PACKAGE) - HB 649

long-range planning activity, and Recommendation No. 8, providing funding for the planning stage of the Legislature's additional projects, should eliminate the need for additional funding beyond that which was budgeted for P&P.

Recommendation No. 3

The Department should develop a regional organization structure to improve the efficiency of administering the CIP within each region.

AS 44.42.040 requires that the functions of the Department within each region be performed, to the maximum extent feasible, through a regional office, and that each regional office shall be directed by a "regional transportation and public facilities director" appointed by the Commissioner.

However, the Department's current organizational structure does not provide the intended regional lines of authority and responsibility that a well-defined pyramid structure would provide. Instead, the Department is organized by the functions of Planning and Programming, Design and Construction, Maintenance and Operations, and Administration.

For example, in Anchorage, the central region, the P&P function is headed by a regional director who reports directly to a deputy commissioner in Juneau. The Design and Construction function is administered by a facilities director and an aviation director who report to another deputy commissioner in Juneau. Highway design and construction is led by a regional engineer who reports to a director in Juneau who, in turn, reports to the Design and Construction deputy commissioner in Juneau. The regional director of the Maintenance and Operations function reports to a deputy commissioner in Anchorage.

Each of the central region employees has equal authority and responsibility. However, no one person in Anchorage has overall authority and responsibility for the total CIP process in the central region.

We recommend the Department consider developing a regional management structure and vest the "regional transportation and public facilities director" with the authority and responsibility necessary to efficiently administer the Capital Improvement Program within each region (Phase IV, Recommendation No. 1).

Recommendation No. 4

The Department should develop an overhead accounting system to equitably allocate costs to CIP projects.

A capital project accounting system should, ideally, reflect all costs associated with the construction of each project. Costs chargeable to the projects include direct costs and overhead. Direct costs are those which can be identified to a specific project such as material, labor, and construction contracts. Overhead costs, on the other hand, cannot be traced to a specific project but, instead, benefit several. Overhead costs could include office expenses, clerical and supervisory salaries, and travel and per diem for supervisory personnel.

For the most part, direct costs are properly recorded to the individual projects by DOTPF. However, a system needs to be developed to apply overhead costs to all projects in an equitable and consistent manner. One of the simplest overhead accounting methods, and easily adaptable to DOTPF's current accounting system, is to accumulate overhead costs in suspense accounts by cost centers corresponding to the organizational structure of the Department. On a monthly basis, these costs could then be distributed to projects based on the percentage of total direct labor hours charged to individual projects or some other equitable method or combination of methods.

With the implementation of an acceptable overhead accounting system, DOTPF's project records would more accurately reflect the true costs of each project (Phase III, Recommendation NO. 1).

Recommendation No. 5

The Department should improve project accounting and fiscal controls of their capital project accounting system.

During our review of the CIP, we have made several recommendations for the improvement of DOTPF's project accounting. In the past year, the Department has made significant progress in several of these areas. We encourage the Department to continue this effort and to this we make the following summary recommendations.

- A. The Department should improve the internal controls over CIP funds by establishing the responsibility for determining the availability of CIP funds for revisions and/or adjustments and the propriety of those changes within the Division of Financial Management. This Division is presently relegated to be subordinate to the Planning and Programming branch's direction and does not act as an internal control check to their activities (Phase II, Recommendation No. 3A).
- B. The Division of Financial Management should establish a revenue accounting section sufficient to properly account for and assure collection of all revenues for the Department. Revenue accounting is presently decentralized and not totally controlled by this Division. Establishing a revenue section may require additional positions. However, the benefit to the State would more than offset this cost (Phase II, Recommendation No. 3B).
- C. DOTPF should establish adequate project closeout procedures to ensure remaining balances are lapsed in a timely manner. Closeout procedures should include taking completed projects within an appropriation off the Department's accounting system to ensure subsequent charges are not made and closing completed project appropriations off the Department's system and the State accounting system concurrently, lapsing unused funds. Client agencies should be promptly notified of completed reimbursable projects so that they can make necessary adjustments to their accounting records (Phase II, Recommendation No. 2).

Many of the Department's planned improvements to their project accounting system are dependent upon the implementation of their proposed management information system. At this stage, it is too early for us to evaluate the effectiveness of the new system in improving the Department's accounting and other informational needs. However, if such a system is to be relied upon as an integral part of the Department's accounting system, it will be essential that the project accounts are reconciled to the State's accounting system. In Recommendation No. 10 of this report, we recommend a new Statewide capital project accounting system which would be preferable to the Department maintaining their own accounting systems.

Recommendation No. 6

DOTPF should develop accurate and timely financial information for use by project managers.

A concern expressed by field managers is the need for accurate accounting data summarized by project. In addition, to enable the effective use of this data, it must be received by the managers in a timely manner. Many are presently maintaining their own accounting records. Client agencies have expressed a need to be able to determine the financial and construction status of their projects being built by DOTPF. There is currently no summary information provided on the status of a project, whether sufficient funds are available to complete a project, or whether a project has been delayed.

With the recommended increased responsibility at the regional level, discussed in Recommendation No. 3 of this report, accurate and timely financial information is of the utmost importance. The Department has recognized the need to develop such management information and is in the process of studying their needs (Phase IV, Recommendation No. 5).

Recommendation No. 7

The Department of Administration's Division of Finance should adequately disclose and report the results of operations and financial position of CIP construction funds, in accordance with generally accepted accounting principles.

CIP project financial statements should disclose all funding sources and the utilization of these funds. The Division of Finance is charged with the responsibility to report CIP funds and should include the following statements: 1) Analysis of Changes in Fund Equities, 2) Balance Sheet, 3) Statement of Revenue - Estimated and Actual, and 4) Schedule of Expenditures and Encumbrances Compared with Appropriations.

In recent years, the Division of Finance has made improvements to the financial statements and recently has agreed to implement our recommended statement presentation. Continued efforts are needed in order to provide better presentation and adequate disclosure of CIP funds (Phase II, Recommendation No. 5 and Appendixes C-L).

CURRENT FINDINGS AND RECOMMENDATIONS

Recommendation No. 8

A two-year budget cycle should be considered for projects appropriated by the Legislature as additions to the Department's proposed budget.

A two-year budget cycle would be based on a two-stage funding process. The first stage should provide funding for the planning and pre-design work of specified projects. This funding would provide DOTPF adequate resources and time to determine the feasibility of projects and prepare accurate cost estimates, identify potential legal problems, conduct survey work and other necessary tasks.

The following year the Department would be in a position to provide the Governor and the Legislature with this information. This would enable the Legislature to make a more informed funding decision. The second stage of the appropriation process would then provide funds for the construction related costs.

A two-year appropriation process would improve the accuracy of capital appropriations and expedite the expenditure of construction related funds. This two-year system should be implemented for all medium- to large-scale projects. Projects of small scope or emergency situations could remain in a one time appropriation system, since these projects, if well defined, require much less planning and pre-design work. To ensure adequate information is provided on these projects as well as the larger scope projects, we recommend the use of the capital project budget submittal form proposed by the Legislative Finance Division (see Appendix B).

Implementation of this recommendation should improve coordination between the Legislature and DOTPF and provide the interaction necessary for an improved Capital Improvement Program.

Recommendation No. 9

The Legislature should consider means of expediting the expenditure of capital project appropriations.

Since Fiscal Year 1975 (SLA 74), the Legislature has appropriated approximately \$3.8 billion for capital improvements Statewide. However, capital expenditures from FY 75 to FY 80 average

less than \$300 million per year. As of June 30, 1980, approximately \$825 million of FY 75-80 appropriations remained unexpended. Although it is anticipated that in FY 81 and future years expenditures will increase, at the FY 80 level of Statewide expenditure, these remaining funds and the FY 81 capital appropriations, totalling approximately \$1,655 billion, would not be totally expended until 1986.

The majority of capital appropriations have been made on a project-by-project basis. The progress of projects is directly related to the priorities assigned by the various State agencies, the Governor, and the Legislature. Therefore, many projects of lesser priority included in the above remaining funds will not be constructed for several years. Considering the effects of inflation and other external factors, it is unlikely that these projects can be constructed at the scope originally intended for the funding amount appropriated several years earlier. As a result, many projects will be reduced in scope, require additional funding, or simply not be constructed.

In our opinion, legislative concern should be centered around means of expediting the expenditure of capital appropriations. Methods of accomplishing this goal include:

- A. Implementation of a two-year budget cycle to provide funding for planning and pre-design work prior to the appropriation of construction related funds (see Recommendation No. 8 of this report).
- B. Implementing the use of the capital project budget form proposed by the Legislative Finance Division for all legislative capital project additions to the budget. This form would provide the responsible agencies with improved scope definitions and other information, and improve the efficiency of project progress (see Appendix B).
- C. Allowing a certain degree of controlled flexibility in capital project appropriations, especially those funded through the General Fund. Capital projects in Chapter 50, SLA 80 (HB 60), for example, were virtually all funded at an appropriation level. This prohibits the flexibility sometimes needed to make minor funding adjustments between projects caused by higher than estimated bids, unusual and/or unpredictable costs, and other external factors. As a result, appropriation level projects are often delayed until supplemental funding can be obtained. The use of allocations

within appropriations by region, election district, or other desired levels would provide flexibility between projects, yet control funding.

Recommendation No. 10

A Statewide CIP project accounting system should be established within the State accounting system.

Presently, it is necessary for virtually all departments involved in the State's Capital Improvement Program to maintain separate project accounting systems. These systems range from sophisticated in-house computers to hand prepared records. In DOTPF, for example, it will be necessary for financial data to be entered into three computerized systems:

- A. State Accounting System: All appropriations and expenditures must be entered in the accounting system maintained by the Department of Administration. However, this system does not presently meet DOTPF's needs to account for thousands of projects which span several years and have several funding sources.
- B. Financial Management System: This in-house system provides for DOTPF's individual project accounting. However, it does not provide adequate appropriation controls and has yet to be reconciled to the State accounting system.
- C. Management Information System: This proposed new system is presently in the development stage and will provide summary information by project, but the financial data generated will not necessarily reconcile to either the State accounting system or the Financial Management System and will, therefore, be of limited reliable use.

The Legislature, through the passage of Chapter 168, SLA 78, intended to provide for changes in the accounting and reporting of CIP projects within DOTPF, among other issues. However, the accounting and reporting aspects of this act have not been implemented due to non-standard accounting requirements and an Attorney General's Opinion questioning the legality and contents of the act. In our opinion, both Chapter 168 and the Attorney General's opinion contain accounting and reporting theory weaknesses.

Instead of legislative changes to only DOTPF's accounting and reporting, we recommend a Statewide capital project accounting system be integrated into the State's accounting system. The Department of Administration's Division of Finance is presently planning major revisions to the State system and has agreed to consider the feasibility of such a Statewide system.

To assist in the implementation of this recommendation, we recommend the Legislature consider the following actions:

1. Encourage and lend assistance to the Department of Administration in developing the recommended Statewide system.
2. The repeal of Section 15 of Chapter 168, SLA 78 (AS 44.42.080), which creates seven separate CIP funds within DOTPF. Our recommended Statewide system could be established by these categories, subdivided by department.
3. The repeal of Section 8, Chapter 168, SLA 78 (AS 37.07.062), which specifies various accounting and reporting requirements for the seven DOTPF funds in (2.) above. Recommendation No. 5 of our Phase II report addressed the required financial statements and their content for proper disclosure of financial activity.
4. Specify through legislation, resolution, intent, or other appropriate action, the informational needs of the Legislature in order that the necessary information retainage and retrieval features can be incorporated into the development of the new system. This should include the ability to report total historic project costs from all funding sources on an individual project basis.
5. Critically review any agency requests for major additions or revisions to current in-house project accounting systems since these systems will likely be replaced by the recommended Statewide system.

Implementation of a new Statewide system will be no easy task. It will require a great deal of planning, forethought, and coordination with all departments in the State. However, in our opinion, this long-range approach to improving the accounting and reporting of the State's Capital Improvement Program is a much more desirable solution than the "band-aid" approach currently applied by many agencies.

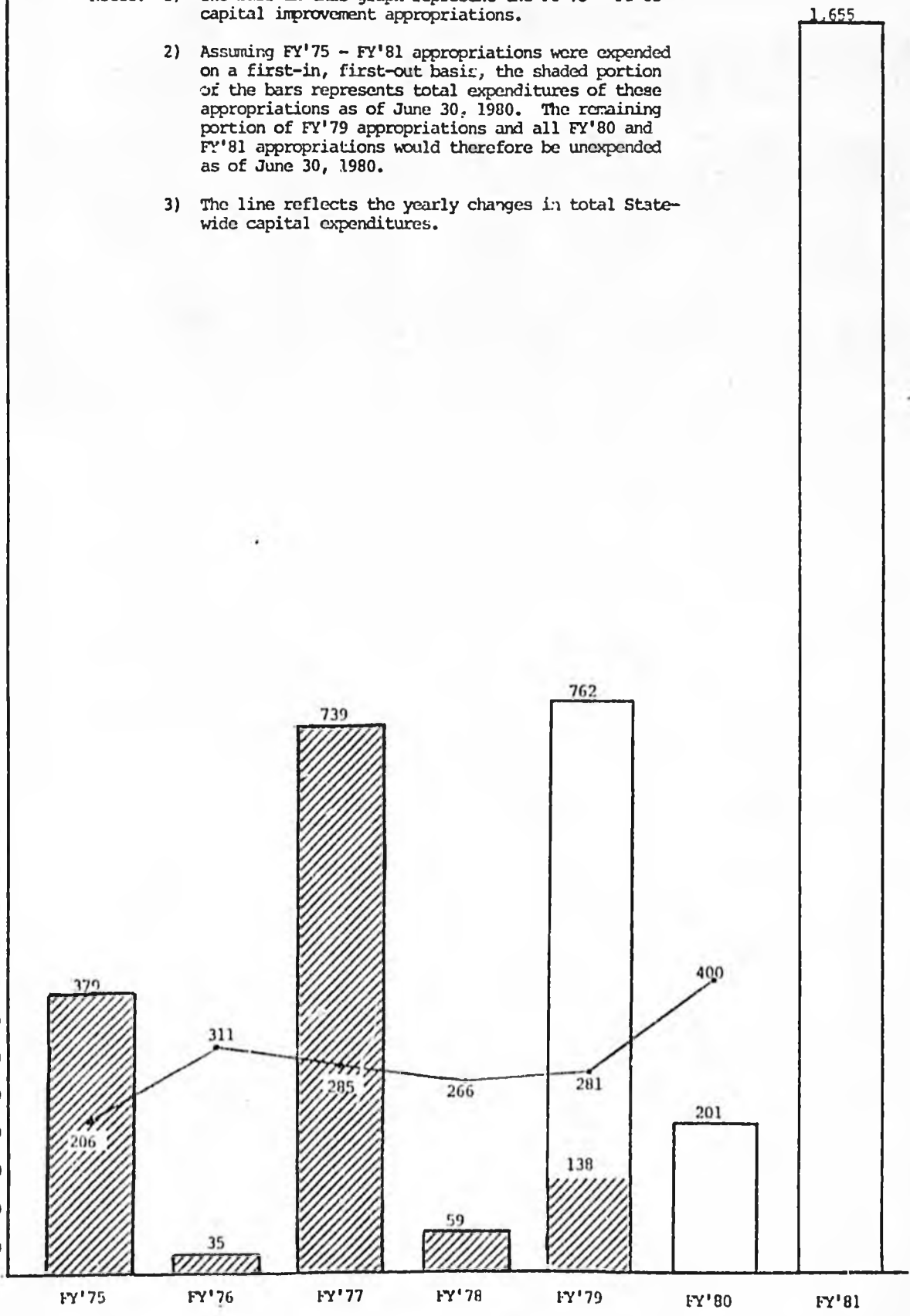
APPENDIX A

STATEWIDE CAPITAL PROJECT
APPROPRIATIONS AND EXPENDITURES

In Millions

\$1700
1650
1600
1550
1500
1450
1400
1350
1300
1250
1200
1150
1100
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
50

- Notes: 1) The bars in this graph represent the FY'75 - FY'81 capital improvement appropriations.
- 2) Assuming FY'75 - FY'81 appropriations were expended on a first-in, first-out basis, the shaded portion of the bars represents total expenditures of these appropriations as of June 30, 1980. The remaining portion of FY'79 appropriations and all FY'80 and FY'81 appropriations would therefore be unexpended as of June 30, 1980.
- 3) The line reflects the yearly changes in total State-wide capital expenditures.



① Project Title		② Location (s)		③ Election Districts Served		④ Start Date		⑤ Completion Date	
⑥ AGENCY REQUEST			⑦ Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year _____	Ultimate Annual Year _____	GOVERNOR'S REQUEST		
							Approved <input type="text"/>	Deferred <input type="text"/>	Disapproved <input type="text"/>
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund						1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds							G.O. Bonds	
			Total Annual Operational Cost						
			Position (FTE)						
			Previous Year Priority	Agency Priority	Governor's Priority				
Total								Total	

PROJECT DESCRIPTION ⑧

PROPOSED CAPITAL PROJECT BUDGET FORM

APPENDIX B

LEGISLATIVE MEMBER'S SIGNATURE:

CATEGORY ⑨ _____

AGENCY _____

PROGRAM _____

Page	of
Revised Date	

FY 82

35 LEGISLATIVE REQUEST
PROPOSED CAPITAL PROJECT

FORM 35 - LEGISLATIVE REQUEST - PROPOSED CAPITAL PROJECT

INSTRUCTIONS:

1. Project Title - Use the same project title on all correspondence when referring to this project.
2. Location(s) - Enter the name of the location on this project. A "statewide" indicator should be used for projects having statewide impact.
3. Election District(s) - Enter the number of the election district in which this project is located. For Anchorage districts, unless the project is specifically for the benefit of one Anchorage district (such as a road project) as opposed to benefiting all Anchorage districts (such as an airport or campus improvement) you should enter "7-12".
4. Start Date - Enter the month and year that the first major expenditure on this project should be made.
5. Completion Date - Enter the date the activities associated with this capital appropriation should be completed.
6. Agency Request - This table is used to display the funding source(s) for the proposed project. Enter the dollar amount (in thousands) on the applicable line. Entries should be in inflated dollars appropriate to the fiscal year of the funding request. (Contact the Life Cycle Cost office of the Department of Transportation and Public Facilities for the current inflation rate.) Entries on unlabelled lines should indicate the name of the funding source. Where the project is one phase of a multi-phase project the total should show the cost of this phase only.
7. Operational Cost and No. Personnel - Two columns of numbers are requested in this area of the form. The "First Operating" column denotes the first year that the project will have an effect on the operating budget. The "Ultimate Annual" column denotes the steady state condition which is expected to repeat itself from year to year. Before filling in the row entries for these columns be sure to fill in the fiscal years in which these conditions are expected to occur.
8. Project Description - This narrative should tell the reader what the request (including state and federal dollars) is buying in terms of the physical product and operational activities related to the project. Describe the project clearly and completely, as if to someone with no knowledge of what you propose to do. The description should include a discussion of Project Characteristics and, if appropriate, Site Features or other physical factors affecting the general planning and siting of facilities. Where applicable, submit a map showing where the requested project, i.e., power facility, hatchery, is located.

If this project is one phase of a multiphase project, the other phases should be described briefly. If a second or third phase of a project is being requested, submit a history of prior appropriations, project status, and any changes to original project. Likewise, indicate any future projects which are dependent on this project and any prior projects which gave rise to this project. If this is a joint project with some external entity, briefly describe the entire project.

In your description of the project include a discussion of the major factors which will influence project scheduling. The lead time required to obtain reviews and approvals of plans and studies, the time required for coordination of the projects with other governmental bodies, and the target date by which the project must be fully functional are examples of these factors.

If possible, limit your project description to the space provided.

9. Enter the appropriate category, agency, and program name.

APPENDIX C

AGENCY RECOMMENDATIONS ON IMPROVEMENTS
TO THE CIP APPROPRIATION PROCESS

We requested written responses from all agencies involved in the State's CIP on recommendations they feel would improve the capital project appropriation process. Instead of summarizing the responses, we have included on the following pages all responses as received from the following agencies:

1. Legislative Finance Division
2. Department of Transportation and Public Facilities
3. Department of Health and Social Services
4. Department of Environmental Conservation
5. Department of Education
6. Department of Administration
7. Department of Community and Regional Affairs

RECEIVED

STATE OF ALASKA

DEC 19 1980

LEGISLATIVE
AUDIT

THE LEGISLATURE

FINANCE DIVISION
POUCH WP-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

BUDGET AND AUDIT COMMITTEE

December 19, 1980

Mr. Gerald Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

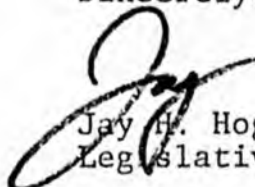
RE: CIP Process Improvements

Dear Mr. Wilkerson:

Your letter of December 19 (attached) requests our thoughts and recommendations on improvements to the CIP appropriation process. Aside from a Christmas wish that the Department of Transportation and Public Facilities follow rigorously the recommendations of your recent audits, we have proposed/ supported the following changes to the capital project appropriation process:

1. CIP PROJECT EXPENDITURE REPORTS - The enclosed memo to Warren Sparks sets out our informational requirements for two basic reports designed to follow the process of expenditures against specific capital projects. We have been working with the department over the past interim to have this type of information available on call for the upcoming legislative session. Hopefully, these reports in their requested format will be available from January 1981 on.
2. PROPOSED CAPITAL PROJECT FORM - Enclosed is a copy of our "newly designed" legislative request proposed capital project form (the form is the Governor's capital project form with the addition of specific instructions on the back and a somewhat reduced requirement to fill in the blanks). Hopefully, the new finance chairmen and their respective committees will support the effort to better document all legislative capital project additions to the budget. If so, we will be in a better position to fully understand proposed legislative projects; fully explain legislative projects; and finally, achieve more realistic cost estimates for eventual appropriation based on clear understanding and full discussion of any project.

Sincerely,



Jay H. Hogan, Director
Legislative Finance Division

Enclosures
JHH:dh

JAY S. HAMMOND, GOVERNOR
(907) 485-3900

Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER

Pouch Z
Juneau, Alaska, 99811
(Telex 45-328)

December 30, 1980 000H

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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DEC 30 1980

Dear Mr. Wilkerson:

**LEGISLATIVE
AUDIT**

In reference to your letter of December 10, 1980 concerning the appropriation process for capital projects, I offer the following information and suggestions.

The Executive Branch is in the process of implementing the facility planning process for project development as established in Chapter 168, SLA 78. This process will be enhanced to the extent possible by the use of Public Facility Planning Funds to develop project plans, specification estimates and land status prior to the request for project funding for construction.

We believe that once the process is fully implemented, the accuracy of the estimates and time schedules for facilities will improve greatly.

This Department has experienced considerable difficulty with some of the legislative "add on" capital projects. These problems relate to funding, scope, and schedule as follows.

Funding: Many Legislators contact this Department to provide estimates of cost for their special project. If this project is selected from an early year in our six year plan, we have had the opportunity to already review the land status and construction costs of the project and feel more confident with the estimates we provide. If the project is new and if the request is received during the winter months, it is difficult to adequately assess the conditions which may be encountered during development and construction of the project. As a consequence, these estimates may not be realistic. Some Legislators provide their own estimates based on information from consultants or other "knowledgeable" persons. Such estimates often prove to be inadequate.

Secondly, most all legislative "add on" projects are line item appropriations. This leaves no flexibility to accommodate minor funding shifts between projects even in the same area or region. The Executive Branch requests appropriations by region and allocation by mode. By this process, if one project is delayed or a higher priority project requires additional funds, the adjustments can be made and a contract awarded for construction. We strongly recommend that the legislative "add on" projects be grouped as regional allocations and not made as specific project appropriations or establish an adequate contingency for each region.

We also recommend revision of the fiscal note forms to better reflect the costs in terms of project phases i.e. design, land, utilities, construction, etc.

Scope: Some projects in Chapter 50, SLA 80 are excellent examples of this Department finding that it has an appropriation for a capital project with no idea of the project scope. Considerable time is lost in identifying the author of the project and securing a definition of what the appropriation should accomplish. In some cases, the desired end result is not consistent with the legislative language and time is again lost in resolving the conflict. We recommend that any legislative "add on" project be required to provide the same project information as the Executive Branch. We recently received a proposed budget submittal form from Legislative Finance that, if utilized, would greatly reduce the question of project scope.

Schedule: Projects of a complex nature should not be anticipated for construction in the same calendar year as the authorizations. Complex projects are defined as projects requiring major design, land acquisition or federal and state use permits. In many cases, even simple projects are precluded from going to contract in the same year as the appropriation when the authorization is not effective until late June or July 1 of each year. Also, projects funded with G.O. bonds require an additional six months delay awaiting voter approval.

As a possible cure for some of these problems, I would recommend that the "add on" projects be funded through design development during one legislative session and the construction phase be funded after this Department has completed project development and is confident of the actual land and construction costs.

Consideration of passing an appropriation for capital projects early in the session for projects that have completed project development or have minimal development requirements would enhance this Department's ability to construct the project in the same calendar year.

We appreciate the opportunity to provide our perspective on this process and welcome any discussion on the content of this letter.


Sincerely,


Robert W. Ward
Commissioner

MEMORANDUM

State of Alaska

TO: Gerald Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

FROM: 
Helen D. Beirne
Commissioner
Dept. of Health & Social Services

DATE: DEC 30 1980

FILE NO: K-8 (MA)

TELEPHONE NO: 465-3030

SUBJECT: Legislative Appropriation
Process for Capital
Improvement Projects

RECEIVED

JAN 2 1981

LEGISLATIVE
AUDIT

In response to your request, dated December 10, 1980, there are three recommendations that I wish to make for your consideration. Each year the Department of Health and Social Services includes many relatively small maintenance and repair projects for various purposes. The first recommendation is that these be grouped. For example, the Division of Corrections would have one appropriation for correctional facilities for "Minor Capital Outlay". All repair, maintenance and construction projects under \$100,000 would be included. The justification for each project would be prepared in the same manner as is currently the practice. During the period the appropriation is available for expenditure it would be possible to use funds as required. In the majority of cases, expenditure will follow the list submitted with the budget. Where necessary for valid reasons, such as emergencies or because of costs adjustments, it would be possible to use these funds as required.

There are times when unforeseen circumstances arise and expenditures are mandatory. The current practice of individually specifying in the Budget and the Budget Act each maintenance and repair project unduly restrains the use of these funds. I want to emphasize that we are not proposing unrestrained use of funds, but to provide flexibility to handle the unforeseen circumstances that occur in buildings that are aging and where emergency repairs are necessary.

The second recommendation is that a contingency appropriation be made to the Department of Health and Social Services or to the Department of Transportation for projects of the former. Experience has demonstrated that capital projects often require augmentation because the bids exceed the available appropriation. Alaska's economy is characterized with inflationary features. From the time cost estimates are made until bids are let is often a period of one or two years. The appropriation language would limit allocations for reason of increases due to cost increase. If the scope of a project is changed and a resultant cost increase results, then that project should go back for specific legislative approval.

Without the above contingency fund, projects are delayed until the subsequent fiscal year and an additional legislative appropriation. This means even higher costs will accrue because of passage of time and further inflation.

DEC 30 1980

An additional factor is that the already incurred expenses of bid preparation, advertising for bids, and other costs are incurred and without a contingency fund, a portion of these expenses are unrecoverable and repeated at some future date.

The third recommendation is that appropriations for projects for the Department of Health and Social Services should be made to this department. On occasion, appropriations for projects for this department have been made to the Department of Transportation.

Your inquiry is appreciated. The capital outlay program of this department is important and we are interested in any effort to improve the process including the appropriations procedure.

If you have questions, please call Mason Anderson, the Division of Management and Budget (465-3331), who will work with you on this matter.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

465-2600

POUCH 0 - JUNEAU 99811

December 23, 1980

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DEC 26 1980

LEGISLATIVE
AUDIT

Mr. Gerald L. Wilkerson, CPA
 Legislative Auditor
 Division of Legislative Audit
 Pouch W--Alaska Office Building
 Juneau, Alaska 99811

Dear Mr. Wilkerson:

Thank you for your letter of December 10 relating to the State's current process of identifying and budgeting capital improvement programs. The study being conducted by your agency is particularly timely, as the State is moving from a position of projects being funded largely by general obligation bonds to one in which many, if not most, are funded by general funds. This change results in a different relationship between the Alaska Legislature, the administration, and the voters. Although bond issues must be approved by all three, general fund capital appropriations are approved only by the Legislature and the Governor. As a result, I feel, many capital appropriations are made from general funds that would have been defeated at the polls if the voters were given the opportunity to address them as a bond issue. Additionally, many projects are funded in the capital budget which are ordinarily considered on-going, operating in nature.

The current status of State revenues does provide much more flexibility than was present earlier. The State can inject large amounts of general funds quite rapidly into the capital improvement budget, thus meeting an immediate need the general obligation bond program is simply unable to address. These projects might range from an emergency or disaster situation, to a general need to help reverse a down turn in the Alaskan economy.

However, the current general fund capital budget process does not always allow the degree of analysis and deliberation necessary for complete understanding of long-term project costs before a project is funded, and does not always allow for development of a rational basis for priority setting. This

problem can exist with bond issues, as well as general fund capital projects, but bond issues are reviewed and decided by a third body--the electorate. For example, the 1978 Water, Sewer and Village Safe Water bond issue listed a number of rural villages for specific line item funding. In some cases, there was no identifiable project that could be funded for that village under the Village Safe Water Act, or the project was substantially more costly than the funds available from the bond issue. As a result, a number of needed projects could not be constructed while funds allocated to other villages will never be spent. These projects were identified by the Legislature often without an in-depth analysis of the villages' needs, or how they could be handled under the Village Safe Water Act.

In order to preclude this from happening in the future, we have developed a Statewide Village Safe Water priority setting system. Although we may not introduce this system through the Governor's capital budget for any one budget year, we do use it in developing bond propositions and it does provide some degree of detailed information to the Legislature when it considers rural village water, sewer and solid waste projects, whether these projects are considered for bond issue or for general fund capital funding. In this way, we have, to some extent, successfully worked as staff to the Legislature. However, we cannot always respond to the emergency needs of rural communities. Often the affected legislator hears of the problem before we do--in those cases, we can help provide engineering and technical assistance to the legislator, as well as the village. I would strongly suggest that the Legislature expand the use of this informal process, especially for rural communities which do not have the resources to provide engineering support or design and cost estimate information. This type of information would be, in my opinion, most valuable in developing special capital budget programs, such as those contained in HB 60.

The regular capital budget program that leads to either bond propositions or to general fund capital appropriations does not always lend itself well to the construction grant program as administered under AS 46.03.030. This program provides grant funds directly to municipalities for the costs of construction of water supplies, wastewater collection and disposal, and solid waste disposal facilities. These projects are identified by municipalities, and proceed on their schedules. Many of these projects are relatively small, lateral improvement districts for water supply and sewerage systems, for example. Therefore, we do not always know what projects will be funded by a particular appropriation when we make the request to the Legislature--the amount we request is a projection based upon historical outlays, corrected somewhat for inflation. The capital budget system,

Mr. Gerald L. Wilkerson

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December 23, 1980

however, is designed to fund specific projects, not a broad fund. It would be helpful to us if the system were changed to allow for a continuous flow of funds to communities on an as-needed basis, rather than on a project-by-project basis.

My staff and I are available to discuss this matter in detail. Please contact my office at 456-2600, or Keith Kelton at 465-2610.

Sincerely,



Ernst W. Mueller
Commissioner

STATE OF ALASKA

JAY S. HAMMOND
GOVERNOR

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

POUCH F
STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
PHONE: 465-2800

December 22, 1980

RECEIVED

DEC 24 1980

**LEGISLATIVE
AUDIT**

Gerald L. Wilkerson, CPA
Legislative Auditor
Audit Division
Pouch W
Juneau, Alaska 99811

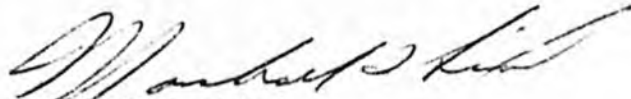
Dear Mr. Wilkerson:

The Department of Education has had the opportunity to examine the appropriation process for capital improvement projects each year when the budget is prepared for submission to the Governor's Office.

A change in this process that could result in improvement to the total program would be the inclusion of cities and boroughs in the department's budget by establishing a separate BRU for this purpose.

Should the cities and boroughs choose to bond themselves for projects and claim reimbursement under the debt retirement program, we would recommend the requirement of L.C.C. information to the voters.

Sincerely,



Marshall L. Lind
Commissioner

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

465-2200

December 29, 1980

RECEIVED

DEC 30 1980

LEGISLATIVE
AUDIT

Mr. Gerald L. Wilkerson, C.P.A.
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

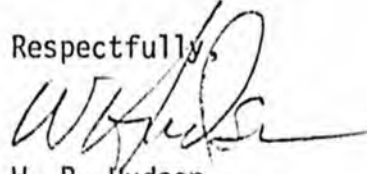
Dear Mr. Wilkerson:

This will respond to your request for input to the capital budget process.

The Department of Administration has found the need for a greater degree of professional involvement in planning for capital improvements, repairs and remodeling. A thorough inspection of facilities by skilled building engineers or architects would no doubt result in improved planning. Life cycle cost analyses on such items as heating, lighting, insulation and remodeling would be beneficial and should be done on all State facilities in an effort to reduce consumption of fossil fuels.

This department depends upon the services of the Department of Transportation and Public Facilities to the greatest extent possible. However, due to lack of available personnel, this assistance has not been available at all locations except in a final review mode.

Respectfully,



W. R. Hudson
Commissioner

WRH/mjc

cc: Vernon L. Perry, Director
Division of Retirement Benefits

Judy Crondahl, Director
Division of Administrative
Services

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

January 6, 1980

RECEIVED

JAN 6 1981

**LEGISLATIVE
AUDIT**

Gerald L. Wilkerson, CPA
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Thank you for the opportunity to comment on the Legislative Appropriation Process for Capital Improvement Projects. There are two areas in which we would like to offer comments for your consideration.

The primary problem the Department has encountered is caused by the lack of back-up material or other indication of Legislative intent on many of the appropriations we administer. Each year, a substantial amount of time by Departmental staff is expended with Legislative Finance staff, committee aides, individual legislators and community representatives attempting to determine the intended use of appropriations. It is understandably difficult for the Department to administer a grant which legislative intent has not been clearly outlined. If back-up materials could be provided to the Department on capital appropriations, it would speed the flow of funds to the recipient, increase accountability of the projects and make the grants easier to administer.

A second problem is one that was addressed to a limited extent in fiscal year 1981. Many of the Departmental projects appropriated are with small second class and often unincorporated communities. These communities, while eager to do a good job in administering a project, often lack the administrative experience to ensure successful completion of a grant. During fiscal year 1981, minimal funds were appropriated to provide such communities with technical assistance and coordinate grant administrations for the Department. Such funding for administration is required to ensure the intent of the legislature is complied with and the projects are successfully completed.

We appreciate the opportunity to comment and will provide additional information if requested.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

JAY S. HAMMOND, GOVERNOR
(907) 466-3900

Department of Transportation and Public Facilities
OFFICE OF THE COMMISSIONER

Pouch Z
Juneau, Alaska, 99811
(Telex 45-328)

February 23, 1981

RECEIVED

FEB 23 1981

LEGISLATIVE
AUDIT

Mr. Gerald Wilkerson, Auditor
Division of Legislative Audit
Budget and Audit Committee
The Legislature
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

The following answers to your preliminary audit, "Phase V. A Performance Review of the Department of Transportation and Public Facilities Capital Improvement Program," should be viewed as only summaries, since more detailed answers may be found in the previous reports. I have chosen to only make a brief response mainly due to the very short time available to prepare this answer. I would also like to point out that recommendations No. 7 through No. 10 are not directed at this department but, in fact, address the total capital construction program of the State of Alaska; and action on these recommendations must be taken by the Department of Administration and the Legislature.

Recommendation No. 1

The Department should provide for long-range planning of capital projects

Response: The Department is actively pursuing long-range capital planning. Executive Order 39 also requires a statewide transportation plan updated annually to drive the capital improvement program development. We currently have regional multimodal transportation plans under development in many areas of the State. Eventually these studies will be incorporated in a statewide plan.

Planning and Programming should no more be a staff support section than Design and Construction or Maintenance and Operations. Planning and Programming and Design and Construction have been improving their program relationships and will soon be at the stage where, after initial funding, the only time Design and Construction will have to come back to Planning and Programming is for a change in project funding and/or scope.

We are working hard to improve our cost estimates, recognizing that with the incredible volatility in the Nation's economy, it is very difficult to be accurate.

Recommendation No. 2

The Department should budget all planning and overhead costs and should prohibit these budgeted units from obtaining additional funding through the reallocation of capital project appropriations.

Response: We agree that overhead and indirect planning costs for capital improvement programs should be budgeted. In fact, our 1982 operating budget request contains State General Fund requests for these purposes. This does not mean that time, travel or other directly related costs incurred by individuals or units would not be charged to CIP appropriations. In the future, these costs will be limited to direct charges and not be made through a method of allocation of costs.

This means that overhead costs, those not directly attributable to a project, will be charged to fixed operating budgets. This assumes, of course, that the legislature approves these expenditures from the general fund.

Recommendation No. 3

The Department should develop a regional organization structure to improve the efficiency of administering the CIP within each region.

Response: The statutes as well as efficient management practices dictate a strong regional presence, and we are shaping the Department accordingly. Coordination between units in the regions has improved dramatically and will continue to improve.

I do not believe that 5 "regional transportation and public facilities directors" reporting to the Commissioner would provide efficient management. Laws currently in effect governing management of state agencies are somewhat complex and must be applied consistently statewide. Therefore, a substantial headquarters effort will always be required, but we do believe in as strong a regional presence as possible.

Recommendation No. 4

The Department should develop an overhead accounting system to equitably allocate costs to CIP projects.

Response: Allocation of costs to projects is a desirable goal for purposes of cost accounting, recording of asset values, evaluation of alternatives, and budgetary control. As you stated, we charge direct costs to projects and are currently charging certain overhead costs. Our budget requests for FY 82 envision charging only direct costs to the project budgets.

Any accounting information should be evaluated in terms of the value of the information. We would not propose that any changes be made to our current system to systematically accumulate all overhead and indirect costs applicable to capital projects. We will investigate this possibility as we develop our new management information system; however, at this point, we feel that the additional complications which this would cause would outweigh the advantages of the information.

Recommendation No. 5

The Department should improve project accounting and fiscal controls of their capital project accounting system.

Response: We agree with this recommendation; however, we do not agree with the subpart labeled 5A which in part states, "The Department should...by establishing the responsibility for determining the availability of CIP funds for revisions and/or adjustments and the propriety of those changes within the Division of Financial Management." The Planning and Programming Unit is properly the unit to make these evaluations. It is responsible for the programming of capital funds and as such must keep up-to-date on the project fund status to assure that sufficient balances are remaining to complete projects as envisioned. Only knowing that the financial records indicate that there is a balance available, as Financial Management would know, is not enough. Financial Management does verify the transfers proposed by the Planning and Programming Unit to assure that there are available funds in the accounts to allow the transfers.

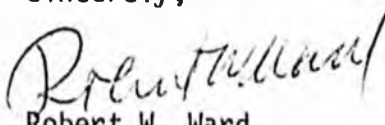
Recommendation No. 6

DOTPF should develop accurate and timely financial information for use by project managers.

Response: We have recognized this need, and it is our highest administrative priority.

I thank you for the opportunity to provide you with my written thoughts on these recommendations and I, as well as other members of my staff, are ready to meet with you and the Legislative Budget and Audit Committee to discuss them in more detail if you should desire.

Sincerely,


Robert W. Ward
Commissioner

H B

648

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 648
Bill/Resolution No. _____
Title Transferring Public Facilities Operations to the Department of Administration
Requested by House Transportation Committee Date 2/19/82

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected See attached worksheet
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	1585.6	1712.4	1849.4	1997.4	2157.2	2329.7
200 TRAVEL	41.3	44.6	48.2	52.0	56.2	60.7
300 CONTRACTUAL	1036.0	146.9	158.6	171.3	185.0	199.8
400 COMMODITIES	40.0	43.2	46.6	50.4	54.4	58.7
500 EQUIPMENT	20.0	21.6	23.3	25.2	27.2	29.4
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	2722.9	1968.7	2126.1	2296.3	2480.0	2678.3

FUNDING (Thousands of Dollars)

	2722.9	1968.7	2126.1	2296.3	2480.0	2678.3
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	40	40	40	40	40	40
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

- 1) Annual inflation rate of 8% is applied to FY 83-87 expenditures.
- 2) One time items included in FY 82 contractual are:
 - a) conversion costs - new offices, office systems, etc. for transferred and new employees and new supply stations for maintenance and operations. Cost. \$700,000.
 - b) Development of Cost Accounting/Financial Management Information System for capital projects. Cost. \$200,000
- 3) The Department of Administration will establish three new divisions for the programs being transferred from DOT/PF: (Division of Maintenance and Operations), (Planning and Programming) and (Design and Construction). The divisions will report to a Deputy Commissioner for Public Facilities in the Commissioner's Office.

IV. DATE 2/19/82 PREPARED BY Robert L. Rehfeld
AGENCY Administration
PHONE 465-2200
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Name) House Transportation Committee
33-001 (Rev. 12/81)
Office of the Governor: Keith Specking

- 4) The Division of Administrative Services will decentralize its personnel/fiscal and supply operations. New field offices will be created in Anchorage, Fairbanks and Juneau.
- 5) The Public Facilities Capital Projects will have an average work-in process balance of \$60 million
- 6) The Fiscal Note prepared by DOT/PF proposed to transfer only eight administrative support personnel, four of which are Supply Clerks, Range 8. The substantial increase in Administrative Services staff is required for the following reasons:
 - a) To accommodate transfer of 236 PFT positions from DOT/PF.
 - b) Increased burden in preparing payroll for approximately 100 LTC employees.
 - c) Maintenance of a new cost accounting/financial management information system.
 - d) Significant expansion of the department's supply and logistics effort.
 - e) Decentralized Administrative Support for field operations for both new public facility programs as well as existing departmental programs (i.e., Pioneers' Homes, Public Defender, General Services and Supply).



ANNUAL OPERATING COSTS

<u>BRU</u>	<u>100</u>	<u>200</u>	<u>300</u>	<u>400</u>	<u>500</u>	<u>TOTAL</u>	<u>G.F.</u>	<u>PFT</u>
Public Facilities (New)								
Maintenance and Operations	170.0	2.2	10.2	3.0	1.5	186.9	186.9	3
Planning and Programming	103.4	2.1	6.8	2.0	1.0	115.3	115.3	2
Design and Construction	103.4	2.1	6.8	2.0	1.0	115.3	115.3	2
SUBTOTAL	376.8	6.4	23.8	7.0	3.5	417.5	417.5	7
Commissioner's Office	79.8	2.6	3.4	1.0	.5	87.3	87.3	1
Administrative Services								
Fiscal/Personnel	1070.7	32.3	102.0	30.0	15.0	1250.0	1250.0	30
Word Processing	58.3	0	6.8	2.0	1.0	68.1	68.1	2
SUBTOTAL	1129.0	32.3	108.8	32.0	16.0	1318.1	1318.1	32
TOTAL ANNUAL OPERATING COSTS	1585.6	41.3	136.0	40.0	20.0	1822.9	1822.9	40
One Time Items								
Conversion Costs			700.0			700.0	700.0	0
Cost Accounting System			200.0			200.0	200.0	0
TOTAL ALL COSTS	1585.6	41.3	1036.0	40.0	20.0	2722.9	2722.9	*40

* See Listing of New Positions

NEW POSITIONS

BRU

Public Facilities

Maintenance and Operations
 Director R26
 Deputy Director R24
 Corresponding Secretary R12

Planning and Programming
 Director R26
 Corresponding Secretary R12

Design and Construction
 Director R26
 Corresponding Secretary R12

Commissioner's Office

Deputy Commissioner - Public
 Facilities R28

Administrative Services

Fiscal/Personnel

Administrative Officer II	R19	Anchorage	Field Office Supervisor
Administrative Officer II	R19	Fairbanks	Field Office Supervisor
Administrative Officer II	R19	Juneau	Field Office Supervisor
Accounting Technician II	R14	Anchorage	Field Office, Payroll
Accounting Technician II	R14	Fairbanks	Field Office, Payroll
Accounting Technician II	R14	Juneau	Field Office, Payroll
Clerk Typist III	R8	Anchorage	Field Office, Clerical
Clerk Typist III	R8	Fairbanks	Field Office, Clerical
Clerk Typist III	R8	Juneau	Field Office, Clerical
Accountant II	R14	Anchorage	Field Office-Cost Acct Mtnce
Accountant II	R14	Fairbanks	Field Office-Cost Acct Mtnce
Accountant II	R14	Juneau	Field Office-Cost Acct Mtnce
Assistant Personnel Officer I	R16	Juneau	Central Office-Personnel/ Payroll
Accounting Technician II	R14	Juneau	Central Office-Personnel/ Payroll
Accounting Technician I	R12	Juneau	Central Office-Accounts Payable
Accounting Clerk III	R10	Juneau	Central Office-Accounts Payable
Accounting Technician II	R14	Juneau	Central Office - RSA's

NEW POSITIONS - CONTINUED

Accountant III	R16	Juneau	Central Office	Contract Officer
Internal Auditor III	R19	Juneau	Central Office	Audits Controls
Budget Analyst III	R19	Juneau	Central Office	Budgets, R.P.'s
Accounting Clerk III	R10	Juneau	Central Office,	Travel
Supply Officer III	R18	Juneau	Central Office,	Department Supply Officer
Supply Officer II	R16	Juneau	Central Office	- Accounting
Supply Clerk	R8	Juneau	Central Office	- Clerical
Supply Officer II	R16	Anchorage	Field Office	- Supply
Supply Officer II	R16	Fairbanks	Field Office	- Supply
Supply Officer II	R16	Juneau	Field Office	- Supply
Supply Assistant	R12	Anchorage	Field Office	- Central Stores
Systems Analyst I	R18	Juneau	Central Office	- Cost Accounting Mtn
D P Programmer	R17	Juneau	Central Office	- Cost Accounting Mtn

Word Processing

- Correspondence Secretary R12 Juneau Word Processing Support
- Correspondence Secretary R12 Juneau Word Processing Support

CA

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE
REVISED

I. REQUEST
Bill/Resolution No. HB 648
Title Transferring Public Facilities Operations to the Department of Administration
Requested by House Transportation Committee Date 2/22/82

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected General Government
BRU, Program, Or Subprogram(s) Affected See attached worksheet
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		1585.6	1712.4	1849.4	1907.4	2157.2
200 TRAVEL		41.3	44.6	43.2	52.0	56.2
300 CONTRACTUAL		1036.0	146.9	153.6	171.3	135.0
400 COMMODITIES		40.0	43.2	46.6	50.4	54.4
500 EQUIPMENT		20.0	21.6	23.3	25.2	27.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	2722.9	1968.7	2126.1	2296.3	2480.0

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		2722.9	1968.7	2126.1	2296.3	2480.0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		40	40	40	40	40
PART TIME						
TEMPORARY						

III. ANALYSIS. (See Fiscal Note Preparation Instruction, Section III)

- 1) Annual inflation rate of 3% is applied to FY 83-87 expenditures.
- 2) One time items included in FY 82 contractual are:
 - a) conversion costs - new offices, office systems, etc. for transferred and new employees and new supply stations for maintenance and operations. Cost. \$700,000.
 - b) Development of Cost Accounting/Financial Management Information System for capital projects. Cost. \$200,000.
- 3) The Department of Administration will establish three new divisions for the programs being transferred from DOT/PF: Division of Maintenance and Operations, Planning and Programming and Design and Construction. The divisions will report to a Deputy Commissioner for Public Facilities in the Commissioner's Office.

IV. DATE 2/20/82 PREPARED BY Robert L. Rehfeld
AGENCY Administration
PHONE 465-2200

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) House Transportation Committee
33-001 (Rev. 12/81)
Office of the Governor: Keith Specking

- 4) The Division of Administrative Services will decentralize its personnel/fiscal and supply operations. New field offices will be created in Anchorage, Fairbanks and Juneau.
- 5) The Public Facilities Capital Projects will have an average work-in process balance of \$60 million
- 6) The Fiscal Note prepared by DOT/PF proposed to transfer only eight administrative support personnel, four of which are Supply Clerks, Range 8. The substantial increase in Administrative Services staff is required for the following reasons:
 - a) To accommodate transfer of 236 PFT positions from DOT/PF.
 - b) Increased burden in preparing payroll for approximately 100 LTC employees.
 - c) Maintenance of a new cost accounting/financial management information system.
 - d) Significant expansion of the department's supply and logistics effort.
 - e) Decentralized Administrative Support for field operations for both new public facility programs as well as existing departmental programs (i.e., Pioneers' Homes, Public Defender, General Services and Supply).

SA

ANNUAL OPERATING COSTS

<u>BRU</u>	<u>100</u>	<u>200</u>	<u>300</u>	<u>400</u>	<u>500</u>	<u>TOTAL</u>	<u>G.F.</u>	<u>PFT</u>
Public Facilities (New)								
Maintenance and Operations	170.0	2.2	10.2	3.0	1.5	186.9	186.9	3
Planning and Programming	103.4	2.1	6.8	2.0	1.0	115.3	115.3	2
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Administrative Services								
Fiscal/Personnel	1070.7	32.3	102.0	30.0	15.0	1250.0	1250.0	30
Word Processing	58.3	0	6.8	2.0	1.0	68.1	68.1	2
SUBTOTAL	1129.0	32.3	108.8	32.0	16.0	1318.1	1318.1	32
TOTAL ANNUAL OPERATING COSTS	1585.6	41.3	136.0	40.0	20.0	1822.9	1822.9	40
One Time Items								
Conversion Costs			700.0			700.0	700.0	0
Cost Accounting System			200.0			200.0	200.0	0
TOTAL ALL COSTS	1585.6	41.3	1036.0	40.0	20.0	2722.9	2722.9	*40

* See Listing of New Positions

NEW POSITIONS

BRU

Public Facilities

Maintenance and Operations	
Director	R26
Deputy Director	R24
Corresponding Secretary	R12
Planning and Programming	
Director	R26
Corresponding Secretary	R12
Design and Construction	
Director	R26
Corresponding Secretary	R12

Commissioner's Office

Deputy Commissioner - Public Facilities	R28
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Administrative Services

Fiscal/Personnel

Administrative Officer II	R19	Anchorage	Field Office Supervisor
Administrative Officer II	R19	Fairbanks	Field Office Supervisor
Administrative Officer II	R19	Juneau	Field Office Supervisor
Accounting Technician II	R14	Anchorage	Field Office, Payroll
Accounting Technician II	R14	Fairbanks	Field Office, Payroll
Accounting Technician II	R14	Juneau	Field Office, Payroll
Clerk Typist III	R8	Anchorage	Field Office, Clerical
Clerk Typist III	R8	Fairbanks	Field Office, Clerical
Clerk Typist III	R8	Juneau	Field Office, Clerical
Accountant II	R14	Anchorage	Field Office-Cost Acct Mtnce
Accountant II	R14	Fairbanks	Field Office-Cost Acct Mtnce
Accountant II	R14	Juneau	Field Office-Cost Acct Mtnce
Assistant Personnel Officer I	R16	Juneau	Central Office-Personnel/ Payroll
Accounting Technician II	R14	Juneau	Central Office-Personnel/ Payroll
Accounting Technician I	R12	Juneau	Central Office-Accounts Payable
Accounting Clerk III	R10	Juneau	Central Office-Accounts Payable
Accounting Technician II	R14	Juneau	Central Office - RSA's

NEW POSITIONS - CONTINUED

Accountant III	R16	Juneau	Central Office	Contract Officer
Internal Auditor III	R19	Juneau	Central Office	Audits Controls
Budget Analyst III	R19	Juneau	Central Office	Budgets, R.P.'s
Accounting Clerk III	R10	Juneau	Central Office,	Travel
Supply Officer III	R18	Juneau	Central Office,	Department Supply Officer
Supply Officer II	R16	Juneau	Central Office -	Accounting
Supply Clerk	R8	Juneau	Central Office -	Clerical
Supply Officer II	R16	Anchorage	Field Office -	Supply
Supply Officer II	R16	Fairbanks	Field Office -	Supply
Supply Officer II	R16	Juneau	Field Office -	Supply
Supply Assistant	R12	Anchorage	Field Office -	Central Stores
Systems Analyst I	R10	Juneau	Central Office -	Cost Accounting Mtnce
D P Programmer	R17	Juneau	Central Office -	Cost Accounting Mtnce
Word Processing				
Correspondence Secretary	R12	Juneau	Word Processing	Support
Correspondence Secretary	R12	Juneau	Word Processing	Support

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 648 - Transfer certain functions of Department of Transportation & Public Facilities to Department of Administration
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Transportation & Public Facilities
Program Category Affected Transportation
BRU, Program, Or Subprogram(s) Affected All - See attached
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		11491.3				
200 TRAVEL		(623.8)				
300 CONTRACTUAL		(7218.1)				
400 COMMODITIES		(5199.3)				
500 EQUIPMENT		(47.9)				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(24580.4)	Assume increase with inflation.			

FUNDING (Thousands of Dollars)

GENERAL FUND		(19092.5)				
FEDERAL FUNDS						
OTHER (Specify Source)		(5487.9)				

POSITIONS

FULL TIME		(236.0)				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Assumes transfer of building and facility type structures to Department of Administration. Does not transfer building maintenance at Anchorage and Fairbanks International Airports.

Bill is confusing as to harbors, etc. that were previously with Department of Public Works. We have assumed transportation items such as harbors and airports remain with the Department of Transportation.

See attached for particular BRU adjustments.

IV. DATE 2/17/82 PREPARED BY Dou Lind
AGENCY DOT/PF
Original: Legislative Finance PHONE 465-3900
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

	<i>Personal Services</i>		<i>Contractual</i>	<i>Commodities</i>	<i>Equipment</i>	<i>Other</i>	<i>Total</i>	<u>Funding</u>			
	<u>100</u>	<u>200</u>						<u>General Fund</u>	<u>Other</u>	<u>PFT</u>	<u>Staff Mos</u>
<u>Maintenance & Operations-Facilities</u>											
Central Region	1126.4	20.2	1749.3	400.2	-	-	3296.1	3049.5	246.6	26.0	330.4
Interior Region	965.1	12.2	1795.4	682.5	-	-	3455.2	3093.1	362.1	22.0	286.8
Dalton Highway	548.0	103.4	110.3	982.8	-	-	1744.5	1679.1	65.4	9.0	136.8
Southeast Region	1553.4	23.7	2138.4	1089.3	19.6	-	4824.4	4736.1	88.3	34.0	442.6
Western Region	255.0	5.0	270.8	299.0	-	-	829.8	775.1	54.7	4.0	63.6
Southcentral Region	879.1	11.2	466.7	1595.9	24.8	-	2977.7	2207.4	770.3	16.0	226.2
Subtotal	<u>5327.0</u>	<u>175.7</u>	<u>6530.9</u>	<u>5049.7</u>	<u>44.4</u>	-	<u>17127.7</u>	<u>15540.3</u>	<u>1587.4</u>	<u>111.0</u>	<u>1486.4</u>
<u>Planning & Programming-Facilities</u>											
Central Region	949.6	32.5	51.7	10.0	1.6	-	1045.4	1045.4	-	21.0	252.0
Interior Region	443.0	13.5	42.4	7.2	.7	-	506.8	506.8	-	8.0	96.0
Southeast Region	427.8	24.8	178.2	10.5	1.2	-	642.5	642.5	-	9.0	108.0
Subtotal	<u>1820.4</u>	<u>70.8</u>	<u>272.3</u>	<u>27.7</u>	<u>3.5</u>	-	<u>2194.7</u>	<u>2194.7</u>	<u>-</u>	<u>38.0</u>	<u>456.0</u>
<u>Design & Construction-Facilities</u>											
Central Region	1693.4	78.2	66.7	21.2	-	-	1859.5	290.9	1568.6	34.0	412.8
Interior Region	1368.5	186.6	121.3	18.3	-	-	1694.7	418.5	1276.2	25.0	304.0
Southeast Region	1053.6	112.5	226.9	82.4	-	-	1475.4	419.7	1055.7	20.0	243.7
Subtotal	<u>4115.5</u>	<u>377.3</u>	<u>414.9</u>	<u>121.9</u>	-	-	<u>5029.6</u>	<u>1129.1</u>	<u>3900.5</u>	<u>79.0</u>	<u>960.5</u>
<u>Administration</u>											
Support Services	28.4	-	-	-	-	-	28.4	28.4	-	1.0	12.0
Regional Operations	200.0	-	-	-	-	-	200.0	200.0	-	7.0	84.0
Subtotal	<u>228.4</u>	-	-	-	-	-	<u>228.4</u>	<u>228.4</u>	-	<u>8.0</u>	<u>96.0</u>
<u>TOTAL</u>	<u>11491.3</u>	<u>623.8</u>	<u>7218.1</u>	<u>5199.3</u>	<u>47.9</u>	-	<u>24580.4</u>	<u>19092.5</u>	<u>5487.9</u>	<u>236.0</u>	<u>2998.9</u>

Force of Creating Department of Transportation
10-72
State of Nevada

Therefore, the subcommittee recommends that:

Regional street and highway commissions be redesignated as regional transportation commissions and that their powers be expanded to include planning for, and operation of, public transportation (BDR 58-11), and that counties be placed in the same category as cities and be exempt from PSC certification requirements. (BDR 58-32)

The subcommittee can foresee the necessity for greater state involvement in public transportation but in the absence of a department of transportation that can plan for total transportation needs and integrate the several modes, little additional state action is possible. It will be the responsibility of a state department of transportation (DOT), if created, to develop the structure for involvement of the state in public transportation.

The subcommittee gave a great deal of consideration to the creation of urban transportation authorities patterned on the Utah Transit Authority which serves the Greater Salt Lake area. Such an approach may in fact be necessary in the future. There is not, in Reno or Las Vegas, the complex jumble of bus companies that existed in Utah 10 years ago. The subcommittee is hopeful that existing regional mechanisms are capable of taking on a public transportation role. If they do not prove capable, it may be necessary to look at other approaches such as urban transit authorities with their own revenue sources.

IV. DEPARTMENT OF TRANSPORTATION

In the area of transportation, Nevada has what may be characterized as a traditional governmental structure. Each mode of transportation or specialized function, such as licensing of vehicles, has been administered by a single, independent agency of state government. Up until 15 years ago, virtually every state had a similar structure. Hawaii created the first state department of transportation in 1959. Since then, a total of 32 states have created DOT's.

The concept behind a department of transportation is that moving people and goods is a single, interactive and interdependent process. This being the case, there is every reason to coordinate the several modes of transportation to use most efficiently total transportation resources. A majority of the states have concluded that this coordination of modes and utilization of resources can be best achieved by the creation of a single state agency with responsibility for all aspects of transportation. There are several specific motivations for the creation of state DOT's.

Legislative reapportionment based on one man-one vote came to most states in the latter 1960's. With reapportionment came two concerns related to state DOT's. First, there was an increased concern for mass transit and a corresponding decrease in concern for highways in the reapportioned, far more urban, legislatures. Second, the reapportionment legislatures were more willing to centralize executive power and to give governors a stronger management hand. This willingness was reflected in the several large scale reorganizations in the states which included the DOT concept.

Unrelated to reapportionment but also relevant to the creation of state DOT's was the creation in 1966 of the federal Department of Transportation. States found it easier to communicate with the federal transportation agency if they, too, were set up as an integrated transportation agency. Easier communication translates into greater likelihood of obtaining various federal grant moneys for transportation. Many federal programs in highway and, especially, mass transportation require comprehensive transportation planning as conditions precedent to getting grant money.

The foregoing reasons can be considered external motivations for the creation of DOT's. There are also internal reasons. The development of the desire by governors and legislators for balanced multi-modal transportation systems suggested a single agency approach. Related to this desire has been a concern for coordinating transportation with other state interests such as land use planning, environmental protection and economic development. Fitting transportation into these other concerns is greatly facilitated by having a single transportation agency. State DOT's also have the potential for reducing duplication by several agencies involved in transportation. Certainly this is true in common support areas such as legal counsel, land acquisition, financial operations and planning. A single transportation planning agency fits well with the desire for sound state comprehensive planning.

The subcommittee understood and appreciated the theory behind state DOT's. There was little doubt that a DOT was a more rational government structure than the system we have at present. The practical question became one of whether the benefits of a DOT were worth the trouble of creating it. In other words, what was the increment of improvement brought about by a state DOT compared to a traditional transportation structure?

This question became better focused after a seminar on state DOT's sponsored by the National Conference of State Legislatures (NCSL). The seminar was held in Carson City specifically for the subcommittee's benefit. Legislators from Iowa and Oklahoma and

a state agency head from Oklahoma explained the creation of DOT's in their respective states. In addition, the NCSL Washington, D.C., transportation specialist and the chief Washington, D.C., spokesman for the American Road and Transportation Builders provided an assessment of the present and future value of having a state DOT in terms of dealing with the federal government.

The subcommittee found the seminar convincing and concluded that the current and probable value of a state DOT was well worth the effort necessary to create it. In particular, the subcommittee concluded that forthcoming federal legislation combined with the rapid urban growth in Nevada made it advisable, even necessary, to develop an integrated and coordinated transportation planning and operation agency with statewide responsibilities for transportation in all modes and in all areas. The subcommittee does not intend that such an agency would take over any local transportation responsibilities but rather that it would provide technical assistance, and aid in relations with the federal government. The subcommittee also does not intend that a DOT create any new layer of bureaucracy but rather to reorient the responsibilities of the present organization.

Therefore, the subcommittee recommends that:

A department of transportation be created from the present highway department. The DOT should be structured on a functional basis as opposed to a modal basis. The department should be headed by a director who shall not have to be an engineer. There should be a deputy director who also shall not have to be an engineer. There should be four assistant directors, each supervising a division one of which will be a planning division with clear statutory authority for multi-modal, integrated transportation planning. (BDR 35-93)

INTRODUCTION OF BILLS (House)

Legislators
(per diem)

HOUSE BILL NO. 647, by Rep. Fanning. Relates to the payment of legislative per diem--prohibits payment of per diem past the 100th day of a regular session. Also prohibits payment of per diem after the seventh day of the session to a member of a house for which a permanent presiding officer has not been chosen--payment to resume after selection of presiding officer. Provides Act takes effect January 1, 1983.

Introduced January 11 and referred to State Affairs, then to Finance.

Department of
Transportation
(changes in
responsibil-
ities)

HOUSE BILL NO. 648, by the Transportation Committee. Transfers functions of the Public Facilities section of The Department of Transportation and Public Facilities (DOTPF) to the Department of Administration (DOA), and makes "clean-up" changes in statutory references to DOTPF. Creates the Department of Transportation, making the Dept. of Administration responsible for the planning of all public facilities, with the exception of transportation facilities. DOA would also be responsible for acquiring federal funding and for energy conservation measures in public buildings.

Repeals AS 44.42.020(a)(13) - (15), powers and duties of DOTPF relating to public building inventory, energy performance standards, and planning assistance. AS 44.42.055, the State public facilities plan (new section added in bill, giving responsibility for annual submission and revision by Commissioner of Administration). AS 44.42.065, relating to conservation of energy in public buildings--(transferred to DOA in bill). AS 44.42.080(a), relating to capital project funds (also transferred to DOA in bill).

Provides Act takes effect July 1, 1982.

Introduced January 11 and referred to Transportation, then to Finance.

Department of
Transportation
(regional
directors)

HOUSE BILL NO. 649, by the Transportation Committee. Establishes five Dept. of Transportation & Public Facilities regions within the state (currently there are established regions, but no certain number is indicated), each with its own director. Outlines qualifications and duties of regional transportation and public facilities director, which include:

Qualifications--six years experience in transportation construction or engineering.

Duties--responsible for planning, design and construction within region; proposal of program plans, budget requests, and performance reports.

Provides Act takes effect July 1, 1982.

Introduced January 11 and referred to Transportation, then to Finance.

INTRODUCTION OF BILLS (House)

Capital
Improvement
Projects
(by the
legislature)

HOUSE BILL NO. 650, by the Transportation Committee. Relates to capital improvement projects proposed by the Legislature (additions to those proposed by the Governor), providing legislative projects will be funded in two phases: ". . .(1) the first phase is a two-year budget cycle to provide funding to determine the feasibility of the project, prepare accurate cost estimates, identify potential legal problems, and conduct surveys and other necessary planning and pre-design work; (2) the second phase is the project construction funding phase and shall be based on the results of the estimates produced by the first phase." Emergency appropriations do not require detailed planning. Outlines procedures for legislative appropriations by region, and forms to be used. Does not provide for an effective date.

Introduced January 11 and referred to Transportation, then to Finance.

AK Marine
Highway
Authority
(establishing)

HOUSE BILL NO. 651, by the Transportation Committee. Establishes Alaska Marine Highway Authority for the operation, management, and planning and construction of facilities for the Marine Highway System. The Authority is a public corporation of the state within the Dept. of Transportation & Public Facilities. The Authority shall consist of eight directors, appointed by the Governor for a four-year term. Provides for the preparation of a long-range plan for the development and improvement of the Marine Highway System, and under the duties outlined for the Authority the bill states: ". . . the authority may. . .(9) operate, maintain, improve, and extend a system of ferries connecting with the public roads and highways of the state and including the boats, vessels, wharves, docks, approaches, landings and appurtenances the authority determines to be necessary or desirable for safe and efficient operation of the ferry system so as to best serve the public;. . .". Authorizes the Authority to issue revenue bonds to pay the cost of part or all of any capital improvements to the Marine Highway System. Also gives the Authority the power of eminent domain and purchasing for the acquisition of land, rights-of-way, and materials necessary to improve the ferry system. Further sections of the bill relate to the transfer of responsibilities from DOTPF to the Authority. Does not provide for an effective date.

Introduced January 11 and referred to Transportation, then to Finance.

Municipal
Highway
Maintenance

HOUSE BILL NO. 652, by the Transportation Committee. Provides for local control of state highway maintenance by a unified municipality or home rule or first class city with a population of more than 1,000. Municipality may request the transfer of responsibility by a resolution of its governing body. Terms and conditions of transfer of responsibility to be determined by negotiations between the Commissioner of Transportation & Public Facilities and municipal officials. If they enter into an agreement, the Commissioner shall pay an annual amount to the municipality which is adjusted annually for inflation. Provides Act takes effect July 1, 1982.

INTRODUCTION OF BILLS (House)

HB 652 (cont'd)

Introduced January 11 and referred to Transportation, then to Finance.

DOTPF Fiscal
Year Change

HOUSE BILL NO. 653, by the Transportation Committee. Changes the fiscal year of the Dept. of Transportation and Public Facilities to October 1 of each year, ending on the following September 30. Adds new section which provides that unexpended balances of one-year appropriations lapse on September 30, with the exception of valid obligations (encumbrances), which are automatically reappropriated for the FY beginning on the succeeding October 1 if it is recorded with the Dept. of Administration by Nov. 30 of the succeeding FY. Provides the unexpended balance of an appropriation for a capital project to DOTPF does not lapse into the General Fund and shall be carried over to the subsequent FY. Provides Act takes effect June 30, 1982.

Introduced January 11 and referred to Transportation, then to Finance.

Board of
Transportation
(establishing)

HOUSE BILL NO. 654, by the Transportation Committee. Establishes the Board of Transportation at the head of the Department of Transportation, and provides it with decision-making functions presently held by the Commissioner of DOTPF. Provides the Board shall appoint the Commissioner, subject to the approval of the Governor, with the Commissioner being the principal executive officer of the Department. The Board is to consist of seven members, appointed by the Governor, and subject to legislative confirmation. Five members are to be appointed from the districts described in HB 649 (page 36), and the other two are to be appointed from the state at large. Outlines qualifications necessary for members. The Board is also given power to adopt regulations, establish regional offices, develop the State transportation plan and the facility procurement plan, and apply for federal funds.

Repeals AS 44.42.010 (DOTPF, Commissioner of Transportation and Public Facilities), and AS 44.42.020 (DOTPF, Powers & Duties). Provides Act takes effect July 1, 1982.

Introduced January 11 and referred to Transportation, then to Finance.

Hydro
Financing
Plan

HOUSE BILL NO. 655, by the Rules Committee by Request of the Governor. (See Senate Bill No. 646, page 11, identical).

Introduced January 12 and referred to Resources, then to Finance.

Parental
Rights
(relinquish-
ment)

HOUSE BILL NO. 656, by the Rules Committee by Request of the Governor. Relates to adoption and the relinquishment of parental rights, and was drafted as a result of a State Supreme Court decision (see Governor's letter). Provides Act does not affect the validity of rights executed before the effective date of the Act. Does not provide for an effective date.

The analysis that follows gives general content and highlights in the bills for your information. This will give an overview of the seven bill package introduced by the House Transportation Committee, House Bills 648-654.

HB 648 "Ar. Act relating to the Department of Transportation and Public Facilities to the Department of Administration; establishing the Department of Transportation; and providing for an effective date."

This bill separates the Public Facilities function to the Department of Administration, and establishes the Department of Transportation. (There is a detailed analysis from Leg. Affairs Legal Services attached)

This bill also serves as a house keeping function as there are numerous references to the Department of Highways and the Department of Public Works.

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212 Edgewood Drive, Suite "C"
Fairbanks, Alaska 99701
907-456-1967

101 East 9th Avenue, Suite 2
Anchorage, Alaska 99501
907-274-9922

February 18, 1982

To: Rep Coto / House Transportation C

1 of 4
From: Bob Thomas
re teleconference 2/24/82

Mr. Steve Soenksen, Administrative Assistant
Committee on Transportation
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Steve:

Please excuse the delay in responding to your letter of January 30, 1982. I have been reviewing the seven bills introduced by the House Transportation Committee while traveling and have now gone through them all. Following are my specific comments:

H.B. 648

Section 34 AS 19.27.110(5) page 9, line 20.

There is also an "urban system". In Alaska, the State has the flexibility of spending urban dollars on other systems and vice versa. Perhaps this system ought to be added.

Section 69 AS 35.25.020(6) page 19, lines 4 and 5. =

I think "boat harbor, jetty, dike, breakwater or airport" should remain within transportation.

Section 74 AS 35.30.040(3) page 19 through 23.

I think this authority should remain with the Department of Transportation.

Section 80 AS 37.20.030(c) page 21, line 20.

This refers to AS 37.20.010 and 37.20.020. These should be received to insure that they do not refer to airport terminals, ferry terminals, etc. (I did not have a copy with me while writing this.)

Section 101 AS 44.07.140(f) page 9, beginning at Line 20.

This change makes the commissioner of administration chairman of the capital coordinating committee. This could prove to be an awkward situation. The commissioner of administration is generally a person with a banking or personnel management background. If public facilities becomes a part of his responsibility, he/she would have to rely upon someone with

Dep. Cato
2 of 4

an engineering background to handle public facilities (probably at the deputy commissioner level—see general comments following specific comments on this bill). The capital coordinating committee need technical competence and the head of public facilities would likely take this role. Thus, you might end up with a deputy commissioner chairing a committee of commissioners which would soon degrade to all deputy commissioners by delegation.

Section 103 AS 44.19.056 page 26, line 12.

It appears to me that the commissioner of transportation would be much better suited for this role.

Section 107 AS 44.33.190 (b) line 12 and 13.

This section refers to a director of marine transportation within the Department of Transportation. I'm wondering if we wish to have a "director of marine transportation". Marine transportation spans southeast, southcentral, central, western regions and plus the possibility of a Yukon ferry; all of which would have stake in tourism. This doesn't fit well with the theme of decentralization.

Section 109 AS 44.22.040 (Entire Section).

In spite of what I said in the previous paragraph, total decentralization can pose serious problems—a balance must be met. All regions must be represented equally and each must feel they have an advocate (something now lacking); however, an overall statewide interest must be maintained as well.

That is why I urge assigning deputy commissioners a regional responsibility as well as a statewide functional responsibility. This concept is quite similar to the legislative system—a representative may be chairman of committee A but may be a member of committee B who's chairman is a member of committee A. Cooperation and respect is assured by this scheme. In the case of the department, deputy commissioners would be assigned major regional responsibility (Southeastern, Central and Interior). They would live there and would represent the commissioner in the region. In addition, he would have a statewide function such as planning, design and construction, etc. These overlapping functions would keep the deputy commissioner cognizant of both local and statewide needs and would force cooperation between regions. Of course, the commissioner would be the first to know if cooperation broke down.

The problem of having the commissioner's staff of deputies scattered throughout the State would enhance his awareness rather than stymie his operation. Conference calls and regular staff meetings rotated throughout the regions would replace daily meetings. (Presently it's difficult to get all the deputy commissioners and the commissioner together at once—one is stationed in Anchorage.) I would suggest that the deputy commissioners of planning, design and construction, and maintenance each be assigned to Southeast, Central and Interior regions. It doesn't matter who is where, whatever is convenient. The deputy commissioner of administration would remain with the commissioner with no regional function. He would be acting commissioner in the absence of the commissioner.

Steve Soenksen
page 3

Pp. 3-4
3 of 4

General

Removing public facilities from the department of transportation may resolve some of the management problems from the DOTPF, but public facilities should not be treated as a stepchild and placing it within the DOA could do that. Taking PF from one large department and placing it in the next largest may just be trading problems. I firmly believe public facilities could be well managed under the DOA or DOT or by itself. The important thing is to provide competent leadership no lower than the deputy commissioner level. This may mean creating a new position in the DOA. Consideration should be given to creating a small but competent department of public facilities. (This is in line with my facetious proposal to make each State position a department and then asking each department to eliminate one position.)

H.B. 649

Section 3 AS 44.42.045(b), lines 15 and 16.

The situation described here would severely weaken the commissioner's authority and compromise statewide cooperation. It pits region against region without any reason to compromise. It is better, in my opinion, to force cooperation and negotiation between regions within the department rather than cross departmental lines. Somehow bureaucrats can always point elsewhere and the legislators end up being the bad guy. In general, my comments on the previous bill apply here also.

H.B. 650

No specific comments.

In general, if it is at all possible, it is good to appropriate funding to a group of projects, especially at the planning and design phase. The ability to shift funds between projects is necessary at this phase. However, projects should be carefully grouped to eliminate shifting funds between regions and similar misuse.

H.B. 651

Section AS 19.70.020(a).

As pointed out previously, marine transportation is statewide and addressing only the marine highway may be short-sighted, especially since the State is now considering getting into the Yukon ferry business (Inland Waterways). In any event, I suggest that the State be represented geographically as well as industrial and occupational.

Section AS 19.70.110(b)

I wonder what this limit of State liability would do to bond ratings as well as availability of Federal Aid Funds. Given the dismal financial performance of the marine highway, I could see bond ratings being low and the State paying more than if bonding were acquired on a more comprehensive basis.

Section 4 AS 19.60.020 and Section 6 AS 19.60.040.

This could result in an incompatible situation. A city street may serve now--under these sections, the State would be required to construct a highway. What about maintenance, liability, etc. etc.?

Steve Soenksen
page 4

Rep. Cato.
4 of 4

Section 7 AS 19.60.050 line 23.

I fail to see the reason to change "shall" to "may". If the intent is to provide some flexibility, it is not compatible with Section 4 AS 19.60.020.

Section 10 AS 35.27.030(2)

This whole section is confusing. For instance, where do maintenance stations fall?

Section 12 AS 44.42.020(a)(1)

Under this arrangement we will have two bureaucracys doing essentially the same thing. In that neither one are profit centers, nor will they likely be, both will be competing for State transportation dollars. I don't think the public wins.

H.B. 652

No specific comments.

Certain urban highways can and should be the responsibility of local governments; however, in almost all cases primary and secondary highways should remain a State responsibility for both consistant maintenance statewide and efficiency of scale. Under this bill the State becomes responsible for most highways with low traffic and high maintenance. And what about airports?

H.B. 653

This bill makes a lot of sense.

H.B. 654

Section 4 AS 44.42.050(a).

Present wording makes this an impossible task. I suggest that the words "and update" after "develop" on line 27.

General

The concept described in this bill works in other states and has merit.

Thank you for the opportunity to provide my thoughts on these bills.

Sincerely,



Bob C. Thomas, P.E.

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5-17
MAR 3 1982

February 25, 1982

Representative Bette Cato, Chairman
House Transportation Committee
Pouch V
Juneau, Alaska 99811

RE: House Transportation Committee Hearing 2/29/82

Dear Representative Cato:


Thank you for listening to me last night. For your records I have attached a copy of my comments. Minor revision has been made to improve clarity. Your desire to improve the mechanism for providing transportation serve to Alaskans is appreciated; however, I recommend more effort be applied to "making" the current organization work before reorganization occurs. Your consideration of my comments 's appreciated.

Sincerely,

Reed Gibby
Reed Gibby

Attachment

file
H 3648



COMMENTS TO THE HOUSE TRANSPORTATION COMMITTEE

Alaska State Legislature

by Reed Gibby

2/24/82

Geeting honorable members of the State Legislature. My name is Reed Gibby, Central Regional Planning Manager, Department of Transportation and Public Facilities. To better help you assess the value of my comments, here is an overview of my background: Education - two engineering degrees. Experience - seventeen (17) years experience in planning and engineering activities for state, regional and local government, universities (for teaching) and private consultanting. Employment locations include California, Utah, Washington, Oregon, as well as Alaska. Licenses - registered professional engineer in Washington, Oregon (inactive) and California. Professional Activities - member of American Planning Association, American Society of Civil Engineers, Institute of Transportation Engineers and Transportation Research Board. Currently I am active in several national committees of these organizations dealing with transportation planning, highway capacity, school pedestrian safety and transit terminals.

My background has brought me in close contact with hundreds of professionals and numerous entities across the country. It is on this information base I respectfully make the following general observations regarding HB 648, 649, 651, 654 and 661:

1. The existence of the "ideal" or "perfect" state transportation organization is a myth. All state transportation organizations have problems.
2. Most organizations can be made to work. Success is a result of effort not of organization.
3. DOT/PF has made tremendous improvement in four years, especially the last year. I know of no other state DOT that has made as much improvement.
4. Reorganization of DOT/PF at best will exchange some current problems for other problems which could be worse.
5. Reorganization of large agencies always result in large transition costs, reduced productivity and moral temporarily, etc.
6. DOT/PF is the only state department whose major mission is project implementation. To remove public facilities from DOT/PF would require another department (Administration) to have a dual mission, project implementation plus its own mission.
7. The typical role of a "Board" is generally policy, systems and major program in nature, much the same role as the Alaska Legislature (and appropriate committees). The proposed bill establishes a board with a more technical and specific focus. Therefore, this change will create another "layer" to the organization and increase the "number of bosses".

8. Establishing a separate marine authority will reduce the ability to develop a multi-modal transportation system which is important in Alaska because much of the population has only one mode to rely upon.
9. DOT/PF management frequently negotiates with the FHWA to reduce federal "red tape" to streamline the development of projects.
10. The current DOT/PF is successful - the project implementation rate has increased and the productivity has improved. In fact the department estimates that despite slightly lower staff levels and a four (4) fold increase in CIP funding in four years, the projects are being developed, in the whole, at least as quickly. Much of the success has occurred within the last year or so.

In sum as a transportation professional I respectfully request you to seriously consider these comments in your deliberations. Thank you for your kind attention.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-455-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 17, 1981

SUBJECT: Transfer of non-transportation projects
(Work Order No. 12-1992)

TO: Representative Bette M. Cato

FROM: Richard A. Bradley *R*
Legislative Counsel

Enclosed is a bill responsive to your request.

The request was direct enough but in the many sections giving responsibilities to the Department of Transportation and Public Facilities, certain problems were encountered. Please review the bill to determine that it complies with your request.

By and large, the separation of statutory functions into "transportation" and "non-transportation" functions works. But the line is sometimes hard to draw.

Thus the functions of "aeronautics" (AS 02) fit into a transportation mode and remain with the new department (Department of Transportation). These functions include aircraft registration (AS 02.20.010 et seq.); airport obstructions and zoning (AS 02.20.050, AS 02.25); and aircraft registration (AS 02.35).

I determined that the ferry system was concerned with transportation and left it with DOT. Thus transportation of animals on the ferries remains with DOT (AS 03.53).

Public racing (AS 05.35) involves highways and remains with DOT.

I recognize that both the Department of Administration (DOA) and DOT may need to exercise eminent domain AS 09.55.250; this continues the policy of present law.

Representative Bette M. Cato
Page 2
December 17, 1981

The review also sought to clean up existing law by eliminating references to the Department of Highways and the Department of Public Works. The former responsibility of DPW for public building standards thus goes to DOA. AS 14.-08.101(7), AS 15.08.161(b)(7), (c), (d), (e).

Shelter cabins and comfort stations at airports seemed more related to transportation; thus the function remains with DOT. The same conclusion suggested regarding shelter cabins, etc. on roads and trails (AS 18.40).

Transportation of nuclear materials is a responsibility of DOT (AS 18.45.030(5)).

The "safety" responsibilities at AS 18.60 seemed more localized and the former DPW function (of consultation) was assigned to DOA (AS 18.60.030(5)).

Responsibilities under AS 19 (Highways and Ferries) remain with DOT.

Since ferries remain with DOT, AS 23.40.040 assigns collective bargaining to DOT for certain ferry employees.

Highway sign coordination remains with DOT (AS 28.01.-010(d)).

Subsidies to freight carriers by water remains with DOT (AS 30.05). Marine communication was a close call, it seemed. It remains with DOT (AS 30.07.020).

Grants for port facilities construction was another close call; I elected to leave it with DOT (AS 30.15). Responsibilities for abandoned and derelict vessels remains with DOT (AS 30.30.170(1)).

Public facility procurement policies are assigned to DOA (AS 35.10.160). Construction procedures for public facilities also go to DOA (AS 35.15.080, AS 35.25, AS 35.27, AS 35.30).

AS 37.05.230(7) had references both to DOTPF and DOH; I recognize that the "Alaska bidder" provisions need to apply both to DOA and DOT.

DOT retains management of airports (AS 37.15). Public buildings accepted by the state from federal agencies, AS 37.20, go to DOA.

The former DOH responsibility under the Right-of-Way Leasing Act, AS 38.35, is assigned to DOT.

DOT and DNR will select sites of historic or scenic value (AS 41.20.050). DOT will construct and maintain facilities at scenic sites (AS 41.20.060). See also 41.20.110(a), 41.20.220, 41.20.355, 41.20.360, 41.20.365, and 41.20.370.

The former DPW function relative to "civic, convention, and community recreation centers" (AS 43.18.300(b)(1)) goes to DOA. See also AS 43.18.500(d)(4)(B), as to cultural facility construction and development grants.

Motor fuel tax responsibilities of DPW (and DOH) go to DOT.

The new capital coordinating committee is realigned. The commissioner of administration is added and is made chairman because of his public facilities responsibilities. AS 44.-07.140(f).

The State Geographic Board seemed obsolete in its formulation; I have reorganized it, put DOA on and taken DOT off. AS 44.19.056.

I put DOA on the Alaska Coastal Policy Council, AS 44.19.-155(a)(2)(G) in place of DPW.

New sections are added at AS 44.21 to realign responsibilities of DOA/DOT. New section AS 44.21.350 will be recognized as former AS 44.42.055, "State Public Facilities Plan".

Sec. 44.21.355 duplicates, as to DOA, the authority given to DOT at AS 44.42.060. AS 44.21.360 comes verbatim from AS 44.42.080, with paragraph (2) deleted. AS 44.21.370 comes from AS 44.42.020(a)(13) - (15).

AS 42 is amended somewhat. The DOTPF becomes DOT. The responsibilities of DOTPF at AS 44.42.020(a) are amended to delete public facility responsibilities. Communication facility responsibility remains with DOT; this occurs in the

FEB - 1 1982

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 1, 1982

SUBJECT: Transferring non-transportation projects from the Department of Transportation and Public Facilities to the Department of Administration and establishing a Department of Transportation -- HB 648 (Work Order No. 12-2361)

TO: Representative Bette M. Cato
Chairman, House Transportation Committee

FROM: Richard A. Bradley **B**
Legislative Counsel

You have requested a sectional analysis of HB 648, a bill that is intended to transfer to the Department of Administration the non-transportation functions of the present Department of Transportation and Public Facilities and which renames DOTPF with its remaining functions as the Department of Transportation.

The bill is designed to achieve the request but you will note that additional sections are included in the bill that clean up some of the now obsolete references to the former Departments of Highways and Public Works.

As used in this memorandum, the word "section" will usually refer to a bill section. If I am referring to an Alaska Statutes reference, I will spell it out so that there should be no difficulty in understanding each. In addition, while I assume that the usages are clear, the committee should understand that "DOTPF" stands for the existing Department of Transportation and Public Facilities; "DOT" stands for the proposed Department of Transportation; "DOA" stands for the Department of Administration; "DOH" stands for the former Department of Highways; and "DPW" stands for the former Department of Public Works.

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Sec. 1 amends AS 01.20, the Alaska Aeronautics Act of 1937. This chapter provides that the department will have responsibility over aeronautics and communications inside the state, and shall make recommendations for the establishment, location, maintenance, operation and use of airports, landing fields, air markings, air beacons, and other navigation facilities, and for the establishment, operation, management, and equipment of all air schools, flying clubs, and other persons giving air instruction.

Sec. 1 assigns these responsibilities to DOT.

Secs. 2 and 3 amend AS 02.15, the Alaska Aeronautics Act of 1949. While this chapter appears to duplicate part of AS 02.10, it is the basic authority of DOTPF for its responsibilities as to state airports (AS 02.15.060 - 02.15.100), departmental assistance to airports (AS 02.-15.120 - 02.15.155), rural airstrip and seaplane facilities (AS 02.15.150), and aeronautics training such as the Civil Air Patrol (AS 02.15.170 - 02.15.180).

Secs. 2 and 3 assign responsibilities for AS 02.15 to DOT.

Sec. 4 amends AS 02.20, a chapter relating to "registration (of aircraft), flight plans, and landing field obstructions". The responsibilities granted deal with the subjects indicated except that the provisions of AS 02.25 deal more specifically with airport zoning.

Sec. 4 assigns responsibility for AS 02.20 to DOT.

Sec. 5 amends AS 02.25; as suggested this chapter deals with "airport zoning", a subject that deals with the regulation of construction of hazards to air navigation near airports and related subjects.

Sec. 5 assigned these responsibilities to DOT.

Sec. 6 amends AS 02.35, a chapter entitled the "uniform air licensing act". The chapter is intended to mesh with the U.S. Air Commerce Act of 1926 and requires licenses for planes and pilots and legislates on related subjects.

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Sec. 6 assigns these responsibilities to DOT.

To summarize, all the responsibilities established under AS 02 are assigned to DOT.

AS 03 is the chapter dealing with "agriculture and animals".

Sec. 7 amends AS 03.53.010(a); the section regulates the transportation of animals aboard state ferries. Since the responsibility for the management of the ferry system is granted to DOT, I amended this section to grant this responsibility to DOT.

Sec. 8 amends AS 05.35, the chapter dealing with "amusements and sports".

Sec. 05.35.020 requires certain permits for racing events from the athletic commission. It stipulates that when a state highway is to be used for the racing event, the concurrence of DOTPF is required. Sec. 8 assigns the responsibility to DOT.

Sec. 9 amends AS 09.55.250(1), a section that relates to the "classifications of estates and lands subject to be taken". This section determines when a fee simple estate will be taken, when an easement will be taken, and when a right of entry will be taken in eminent domain (condemnation) actions. Until this amendment the section had still referred to the former Departments of Highways and Public Works; since both the new Department of Transportation and the Department of Administration will require the eminent domain power, both departments are granted the power of eminent domain under this section.

Secs. 10 - 14 are concerned with the responsibilities presently assigned to DOTPF for school construction, repair, and improvement. Until these amendments, the law in one section still referred to DPW. Since the responsibilities are essentially those of the former Department of Public Works and do not deal with transportation, sections 10 - 14 assign the responsibilities to DOA.

Secs. 15 - 18 amend AS 18.40, a chapter that deals with the responsibility for "shelter cabins and comfort stations". In my view, the responsibility could go either way; note

that before DOTPF was established, these responsibilities had been given to DPW. The responsibility is for the erection and maintenance of public facilities, a responsibility otherwise generally granted to DOA, at least to the extent that the public facility is not oriented to transportation. My reason for assigning the responsibility to DOT is that the determination as to need and the responsibility for maintenance seemed intimately tied into the needs of the travelling public and accordingly, it may be assumed that DOT is more able to maintain the facilities and more aware of need. Included are facilities at airports as well as along public highways. Secs. 15 - 18 assign responsibilities to DOT.

Secs. 19 - 20 amend AS 18.45, a chapter dealing with "atomic energy development".

The particular concerns of the sections amended involve the transportation of radioactive materials on highways of the state [Sec. 19: AS 18.45.030(4)] and by common carriers not in interstate commerce and as to the "participation by public utilities subject to its jurisdiction in projects (using radioactive materials)". [Sec. 20: AS 18.45.-030(5).]

I suggest that the amendment proposed is reasonable and consistent with the goals of the bill in Sec. 19.

I am less certain that the DOTPF (or DOT or DOA) have responsibilities for "common carriers not in interstate commerce" or that any of them have "public utilities subject to its jurisdiction". [Sec. 20.] Perhaps the Public Utilities Commission (AS 42.05) is the better place to assign this responsibility.

Sec. 19 assigns responsibility to DOT; the assignment of responsibility by sec. 20 to DOT should be reconsidered.

Sec. 21 deals with the "safety" programs of the Department of Labor; it lists in paragraph (5) the departments on which coordination of accident prevention may be useful. Because it was a former DPW function, I assigned it to DOA. While I believe that is reasonable, to the extent that both highway safety and safety within buildings may be involved, coordination with both DOT and DOA may be reasonable.

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Sec. 21 assigns responsibility to DOA; the committee may wish to add an assignment to DOT.

Secs. 22 - 48 amend the provisions of AS 19, the title dealing with "highways and ferries". The provisions of these sections uniformly assign responsibilities to DOT.

Secs. 22 - 23 amend the definitions section of AS 19.05. The chapter is characterized as "administration" of DOTPF but applies exclusively to the "highways" aspect of DOTPF and derives from a part of the former organic act of the Department of Highways. Secs. 22 - 23 assign responsibilities to DOT.

Secs. 24 - 27 amend AS 19.10, the chapter dealing with the "state highway system".

Secs. 24, 25 - 27, and 28 amend AS 19.10.052, 19.10.280, 19.20.090 respectively. When the sections were renumbered by the revisors in the new print of AS 19 as AS 19.20.017, 19.20.014, and 19.45.015 respectively, the phrases identifying the department of "Transportation and Public Facilities" were dropped: it now reads "department". These sections may be deleted from the bill.

Sec. 29 amends AS 19.22, the chapter regulating "landscaping and scenic enhancement". The amendment to AS 19.22.030 assigns the responsibility to DOT as an aspect of highway management.

Secs. 30 - 32 amend the definitions section [AS 19.25.160] of the chapter dealing with "protection and use of state highways and roads". The responsibilities are properly reassigned from DOTPF to DOT.

Secs. 33 - 35 deal with amendments to the chapter dealing with "junk yards"; junk yards are defined with reference to highways and the scenic views from highways rather than the management of junk yards as such. [AS 19.27.110] The responsibilities are properly assigned to DOT.

Secs. 36 - 42 deal with amendments to AS 19.30, a chapter dealing with "access roads". Such roads are described as roads useful for access to areas rich in mineral development, to areas programmed for surface disposal, and as local

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service roads and trails. Sections amended include AS 10.-30.040(a) and (b), 19.30.051, 19.30.080, 19.30.151(a), and 19.30.241(7) and (8). These sections assign responsibilities to DOT.

Secs. 43 - 45 amend the chapter dealing with the James Dalton Highway (the North Slope haul road) and its construction. Sections amended include AS 19.40.020(c), 19.40.060(c), and 19.40.080(1). Secs. 43 - 45 assign responsibilities to DOT.

Sec. 46 amends a section in AS 19.60, a chapter authorizing "ferry terminal facilities". Since the ferry system seems involved in transportation, I have assigned the establishment of ferry terminal facilities to DOT. AS 19.60.070(1).

Secs. 47 - 48 amend AS 19.65, a chapter dealing with miscellaneous ferry system provisions.

Sec. 47, an amendment to AS 19.65.010, limits the authority of the ferry system to relieve employees of the ferry system outside the state. The section has been found unconstitutional by the U.S. District Court for the District of Washington (State). I understand that the decision is on appeal to the Ninth Circuit Court of Appeals.

Sec. 48, an amendment to AS 19.65.020(a), regulates the naming of ferries.

Secs. 47 - 48 assign and recognize responsibilities in DOT.

Sec. 49 amends the provisions of AS 23.40 that authorize the negotiation with employees of the division of marine transportation. AS 23.40.040. The responsibility for ferries has been given to DOT and this section also grants responsibility to DOT.

Sec. 50 amends AS 28.01, a chapter dealing with the "scope and interpretation of AS 28". Sec. 28.01.010(d) permits a municipality to regulate traffic control devices consistently with a manual prepared by DOTPF. Since the responsibility for highways is granted to DOT, this section also grants authority to DOT to prepare the manual.

Sec. 51 amends AS 28.05, a chapter dealing with the "administration" of the Department of Public Safety. The section amended, AS 28.05.011, establishes the duty of the commissioner of public safety to adopt regulations necessary for the management of that department. It permits DOTPF to participate in the restrictions on the operation of motor vehicles when necessary to protect road foundations, surfaces, or structures. Sec. 51 assigns the DOTPF responsibilities to DOT.

Sec. 52 amends AS 29.89, a chapter regulating "state aid for miscellaneous municipal purposes". The section amended, AS 29.89.020 authorizes aid for local roads in accordance with regulations of the DOTPF. Since the highway function is assigned to DOT, this section also reassigns responsibilities to DOT.

Secs. 53 - 56 amend AS 30.05, a chapter relating to "shipping subsidies". The sections amended [AS 30.-05.010 - 30.05.040] generally authorize a subsidy to a vessel acting as a common carrier between points designed by DOTPF. Since transportation is involved, the sections reassign responsibilities to DOT.

Sec. 57 amends AS 30.07, a chapter relating to "marine radiotelephone installation". While the question was a close one, it seemed that marine communication involves transportation modes and therefore was reassigned to DOT. AS 30.07.020.

Secs. 58 - 62 amend AS 30.15, a chapter regulating "state participation in (the construction of) port facilities and development. Sections amended include AS 30.15.010, 30.15.020(a), 30.15.060, and 30.15.070(1) and (2).

Again the question is a close one. The function was formerly granted to DPW before its assignment to DOTPF. The responsibility is different from the construction of highways and would be an appropriate responsibility for a "division of public building construction".

On the other hand, the facilities involved are involved in transportation and commerce and accordingly I assigned the responsibilities in Secs. 58 - 62 to DOT.

Sec. 63 amends AS 30.30, a chapter relating to "abandoned and derelict vessels". The chapter deals with the responsibilities of the division of waters and harbors over abandoned and derelict vessels, typically as they become a problem in the harbors of the state. Sec. 63 reassigns the responsibility from DPW (DOTPF) to DOT. AS 30.30.170(1).

Secs. 64 - 65 amend AS 35.10, a chapter dealing generally with "public works". Sec. 64 amends AS 35.10.015(d), a section relating to "public works planning and construction" that regulates the installation of architectural barriers in ferries that may limit the use of ferries by the physically handicapped. The responsibility is assigned to DOT since the responsibility for the division of marine transportation is assigned there.

Sec. 65 amends AS 35.10.160, a section requiring the establishment by DOTPF of a public facility procurement policy. Since DOA is given the responsibility for the construction of nontransportation mode public facilities, sec. 65 assigns this responsibility to DOA.

Secs. 66 and 67 amend AS 35.15, a chapter regulating public facilities "construction procedures". AS 35.15.080(b) and (f) relate to the "local control of state public works projects" and assigns responsibilities to DOTPF. Consistently with the assignment of nontransportation public works project control to DOA, secs. 66 and 67 assign responsibilities to DOA.

Secs. 68 and 69 amend AS 35.25, a chapter dealing with "general provisions". Sec. 68 defines department to mean DOTPF [AS 35.35.020(2)] and sec. 69 provides a definition for "public works". [AS 35.25.020(6)] In each case, assignment of responsibilities moves from DOTPF to DOA.

Secs. 70 and 71 amend AS 37.28, a chapter providing for "art works in public buildings and facilities". Since the nontransportation public facilities function is transferred from DOTPF to DOA, secs. 70 and 71 assign responsibilities to DOA. AS 35.27.030(1) and (4).

Secs. 72 - 74 amend AS 35.30, a chapter that is concerned with the "consistency (of state facilities planning and construction) with local government plans and ordinances".

I have reconsidered the suggestions made in secs. 72 - 74 because responsibilities of both DOT and DOA are involved and I suggest new sections [subject to revision] to read:

* Sec. 72. AS 35.30.010(b) is amended to read:

(b) Prior approval by a municipal planning commission may not be required before the commencement of construction of a highway or local service road if

(1) the Department of Transportation [AND PUBLIC FACILITIES] and the municipalities have entered into agreement for the planning of the project under AS 19.-20.060 or 19.20.070 and the plans for the project are completed in accordance with the terms of that agreement;

(2) the municipality has adopted a municipal master highway plan under AS 19.20.030 and the highway or local service road is consistent with the plan adopted; or

(3) the Department of Transportation [AND PUBLIC FACILITIES] has entered into agreement with the municipality for the planning of transportation corridors under AS 19.10.280 and the plans for the project are completed in accordance with the provisions of that agreement.

*Sec. 73. AS 35.30.010(c) is amended to read:

(c) If final disapproval by resolution of the governing body of the affected municipality or village is not received within 90 days from the date the project was submitted to the municipality or village, the department that submitted the project may proceed with the project.

* Sec. 74. AS 35.30.040(1) is amended to read:

(1) "department" means the Department of Administration, the Department of Transportation [AND PUBLIC FACILITIES], and the University of Alaska;

Secs. 75 and 76 amend AS 37.05, a chapter regulating "fiscal procedures". Sec. 75 [AS 37.05.230(7)] had provisions prescribing responsibilities both for DOTPF and the former DOH; the section is amended to recognize that "Alaska bidder" procedures may be utilized by either DOA or DOT. Sec. 76 [AS 37.05.240] which relates to the award of contracts and purchases for the construction or repair of a public building is amended to recognize that those activities are the responsibility of DOA.

Secs. 77 - 79 amend AS 37.15, a chapter establishing procedures for "state bonding". Each section amended [AS 37.15.500, 37.15.510, and 37.15.550(5)] is located within the article relating to "international airport revenue bonds". These responsibilities relate to airports and the sections reassign responsibility from DOTPF to DOT.

Sec. 80 amends a provision of AS 37.20, the chapter relating to the "acceptance of federal funds". AS 37.20.030(c). The provisions of AS 37.20.010 - 37.20.030 deal with transitional funding measures arising from statehood; AS 37.20.040 deals with payments into the Alaska Native Fund. I believe that the provisions of the entire chapter are executed, no longer needed, and appropriate for repeal. Assuming that the Federal Government may yet grant public buildings to the state, the section is appropriate as written only if it is understood that DOA has merely received the building and its use may require the transfer of the building to a different department, depending on the use the building will be put to.

Secs. 81 and 82 amend AS 38.05, a chapter establishing the "Alaska Land Act". AS 38.05.030(b), the section amended in sec. 81, recognizes that both DPW and DOH may need public lands of the state in their programs. The section is amended to assign these rights to DOA and DOT. AS 38.05.030(d), as amended in sec. 82, recognizes that DOH may dispose of property acquired for highways that are not needed for that purpose without returning it to DNR. The responsibility is reassigned from DOH (DOTPF) to DOT.

Sec. 83 amends AS 38.35, the (oil and gas) "right of way leasing act". Responsibilities formerly assigned to DOH are transferred to DOT. AS 38.35.230(2).

Secs. 84 and 85 amend the provisions of AS 39.25, "the State Personnel Act". The amendments to AS 39.25.120(9) and 39.25.153(a) are essentially technical; the first relates to the "regional directors of the Department of Transportation [AND PUBLIC FACILITIES] and the second provides that the "personnel officer of the departments of transportation [HIGHWAYS], fish and game (etc.) shall be located within the department.

Secs. 86 - 95 amend AS 41.20, a wide-ranging chapter entitled "parks and recreational facilities".

Sec. 86 amends AS 41.20.050 to permit DOTPF and DNR to select jointly sites for "historic or scenic value, or for recreation beaches along waterways, roadside rests for travellers," etc. The responsibility is transferred to DOT.

Sec. 82 amends AS 41.20.060, a section permitting the former DPW (DOTPF) to construct and maintain facilities at scenic sites, recreation beaches, and the like. The power had been exercised by DOTPF and is transferred to DOT.

Sec. 88 amends AS 41.20.110(a), a section permitting former DPW to construct and maintain campsites through out the wilderness trails system. The power had been exercised by DOTPF and is transferred to DOT.

Sec.89 amends AS 41.20.220, a section granting DOH management responsibility for the public roads in the Chugach State Park. I assume that DOTPF exercised this responsibility and it is transferred to DOT.

Secs. 90 and 91 amend AS 41.20.335(b) and (d) and permitted DOH to establish footpaths and trails along certain highways. The responsibility involves transportation responsibilities, has been exercised by DOTPF and is transferred to DOT.

Sec. 92 amends AS 41.20.360, a section permitting DOH to establish and maintain footpaths, bridle baths, bicycle paths, (etc.) along highways. It is transferred to DOT.

Secs. 93 and 94 amend AS 41.20.365(a) and (c), a section authorizing funding to DOH for the footpaths (etc.) provided for in AS 41.20.360. The responsibility goes to DOT.

Sec. 95, a section amending AS 41.20.370, is similarly involved with footpaths and the responsibility is transferred from DOH to DOT.

Secs. 96 and 97 amend AS 43.18, a chapter relating to "state aid to local governments". Sec. 96 amends AS 43.18.300(b)(1), a provision relating to civic, convention, and community recreation centers. Since nontransportation public facilities are involved, the responsibilities are transferred from DPW to DOA.

Sec. 97 amends AS 43.18.500(d)(4)(B), a section relating to cultural facility construction and development grants. The responsibility was given to DOTPF to review the application for a grant under that department's responsibilities under AS 35.10.190. The responsibilities for seeking "cost savings in planning, design, and contractual techniques" in facilities procurement at AS 35.10.190 have been transferred to DOA and accordingly this section is made consistent.

Secs. 98 - 100 amend AS 43.40, a chapter providing for the "motor fuel tax". Each section amends AS 43.40.010; it provides that DPW may use funds derived from the motor fuel tax for the construction and maintenance of transportation facilities. The responsibilities have been exercised by DOTPF and are transferred to DOT.

Sec. 101 amends AS 44.07, a chapter establishing the "Alaska capital city development corporation". AS 44.07.140(f), the section amended, provides for a "capital coordinating committee". The commissioner of DOTPF had been on the committee and had been chairman. Amendments that I proposed made the commissioner of administration chairman but left the commissioner of transportation on the committee.

Sec. 102, an amendment to AS 44.17.005, the list of executive departments, changes the name of DOTPF to DOT.

Sec. 103 amends AS 44.19.056, a section relating to the membership of the state geographic board. The amendment removes the commissioner of transportation and public facilities, adds the commissioner of administration, and recognizes that the Department of Community and Regional Affairs has a commissioner, not a director, at its head. Arguably, the responsibilities of DOT are more a

qualification for membership on the geographic board than DOA's and perhaps DOT's commissioner should be reinstated on the board.

Sec. 104, a section amending AS 44.19.066(4), relates to the membership of the International Development Commission; it clarifies the fact that the commissioner of transportation has a seat on it, not the commissioner of highways.

Sec. 105 amends AS 44.19.155(a)(2)(G), a section providing for membership of the Alaska Coastal Policy Council, and assigns the seat of the commissioner of DPW to the commissioner of administration. The commissioner of transportation might equally qualify.

Sec. 106 adds a new article, "public facilities", to AS 44.21, the chapter establishing the Department of Administration. Sec. 44.21.331 is derived from AS 44.42.055. Sec. 44.21.335 is derived from AS 44.42.060. Sec. 44.21.337 is derived from AS 44.42.065.

Sec. 44.21.339 will be recognized as AS 44.42.080, modified only by the deletion of paragraph (2), a function transferred to DOT. See sec. 110 of the bill.

Sec. 44.21.341 is derived from AS 44.42.020(a)(13);
Sec. 44.21.350 is derived from AS 44.42.020(a)(14) and (15).

Sec. 107 amends AS 44.33.190, a section relating to the Tourism Advisory Board. The seat of the director of the division of marine transportation is recognized as being in DOT not in DPW.

Secs. 108 - 111 are sections amending AS 44.42, the chapter establishing the Department of Transportation and Public Facilities; sec. 108 amends AS 44.42.010, a section providing that the principal executive officer of DOT is the commissioner of transportation.

Sec. 109 amends AS 44.42.040; the section requiring the establishment of regions in DOTPF is amended to relate to the regions in DOT.

Sec. 110 amends AS 44.42.080 to recognize that the transportation and related facilities fund is established in

DOT. Note that the provisions in former AS 44.42.080, renumbered as AS 44.42.080(a), which established the former DOTPF capital facilities fund, are repealed. See sec. 126 and recall that a capital facilities fund for the programs transferred from DOTPF to DOA were established under Sec. 44.21.339 in sec. 106.

Secs. 111 and 112 conform the definition section in AS 44.-42, eliminating the references to DOTPF and substituting references to DOT.

Sec. 113 amends AS 44.47.092; the section requires the Department of Community and Regional Affairs to make recommendations to DOA (in place of DOTPF) on "comprehensive plans or other land use plans" of municipalities with respect to the facility procurement plan prepared in accordance with stated law.

Sec. 114, an amendment to AS 44.47.160(a)(3), adds the commissioner of administration to the Rural Development Council; the commissioner of transportation retains the seat of the former commissioner of transportation and public facilities.

Sec. 115, an amendment to AS 44.62.330(a)(16), requires DOT (instead of DOTPF) to apply the Administrative Procedures Act's administrative adjudication procedures (AS 44.62.330 - 44.62.630) to DOT's "functions relating to aeronautics and communications".

Sec. 116, a section amending AS 44.65.050(c), establishes "restrictions on construction contracts" but permits DOT (in place of DOTPF) to acquire, construct, and maintain access roads serving public airports.

Sec. 117 amends AS 44.64.020, a section requiring DOTPF to establish "rules regarding the use of state-owned vehicles". The assignment is given to DOT by this section.

Secs. 118 - 119 amend AS 44.74, a chapter establishing a "working capital fund" for DOTPF in the state treasury. The amendments establish the fund for DOT.

Sec. 120 amends AS 44.74.070, a section permitting the commissioners of highways and public works to transfer to

political subdivisions of the state "the title to automotive and construction equipment which can be used in the maintenance of roads and airports". The amendment to the section transfers these responsibilities to the commissioners of administration and transportation.

Sec. 121 is an amendment to AS 44.88, the chapter establishing the Alaska Industrial Development Authority. AS 44.88.180(a) is a section dealing with vote by members of the authority when they may have a conflict of interest. The section establishes a series of state officers who may act if a member has a conflict. The amendment deletes the reference to the commissioner of public works and substitutes the commissioner of transportation.

Secs. 122 and 123 amend AS 46.11, a chapter relating to the "conservation of energy and materials". Sec. 122 amends AS 46.11.010, a section requiring all public facilities of the state built after July 1, 1980 to comply with "thermal and lighting energy standards" adopted by DOTPF; buildings built before that date shall be modified, to the extent practicable, by June 30, 1988. The section is amended to assign these responsibilities to DOA.

Sec. 123 amends the definitions section of the chapter to delete the references to DOTPF and substitute DOA.

Secs. 124 and 125 constitute amendments to AS 47.37, a chapter establishing the "uniform alcoholism and intoxication treatment act" (the office of alcoholism). Sec. 124 [AS 47.37.040(14)] directs the office of alcoholism to cooperate with the Department of Highways in conducting programs relating the problems of persons operating motor vehicles while intoxicated. The amendment transfers the responsibility to DOT.

Sec. 125 constitutes an amendment to AS 47.37.050(a) and establishes an interdepartmental coordinating committee to act as liaison among state departments engaged in activities affecting alcoholics and intoxicated persons. The amendment deletes DOTPF from membership and adds DOT.

Sec. 126 repeals certain provisions of AS 44.42 (the chapter establishing DOTPF). Those sections repealed are uniformly responsibilities transferred from DOTPF to DOA by the bill.

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See the discussion on these points relative to bill
section 106.

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FEB 25 1982

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REP. BETTY CATO :

FEB. 23, 1982

DEAR BETTY :

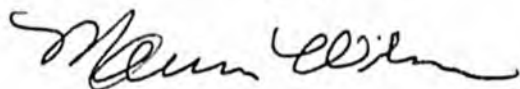
MY TYPIST HAS GONE HOME - SO PLEASE
FORGIVE THE HANDWRITING.

CHANGES TO THE REGION BOUNDARY
DESCRIPTIONS ARE ATTACHED, ALONG WITH
A MAP.

AS I TESTIFIED, THE MUNICIPALITY OF
ANCHORAGE COULD BE A DISTRICT WITHIN REGION
ONE, SINCE THE PLANNING AND FUNDING FOR
MOST OF THE MUNICIPALITY IS CONTROLLED
BY AN AREA TRANSPORTATION STUDY (AMATS).
HOWEVER, THE REGION WOULD BE UNDER THE
DIRECTION OF ONE DIRECTOR.

I ENJOYED THE VISIT.

SINCERELY



2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to regions in the Department of Trans-
7 portation and Public Facilities; prescribing the duties
8 of regional transportation and public facilities direc-
9 tors; and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 44.42.040 is amended to read:

12 Sec. 44.42.040. REGIONAL [DEPARTMENTAL] ORGANIZATION OF DEPARTMENT.

13 (a) The commissioner shall establish five regions within the state
14 in accordance with (b) of this section. The functions of the department
15 within each region shall be performed, to the maximum extent feasible,
16 through a regional office. Each regional office shall be directed by a
17 regional transportation and public facilities director appointed by the
18 commissioner. Each regional transportation and public facilities direc-
19 tor shall have at least six years experience in transportation construc-
20 tion or engineering.

21 * Sec. 2. AS 44.42.040 is amended by adding a new subsection to read:

22 (b) The five regions are:

23 (1) Region one begins in Kamishak Bay at 59°15'N, 154°00'W;
24 and travels north along longitude line 154°00'W to latitude 63°00'N;
25 then east along latitude line 63°00'N to a point common with the bound-
26 aries of regional districts two and five; southerly of the Denali Highway
27 at Corkscrew Creek (Milepost 59.1); ~~then southerly~~ to Prince William
28 Sound at Fairmount Point 60°53'45"N, 147°27'W and inclusive of Kodiak,
29 Afognak, Barren, Trinity and Chirikof Islands. INSERT

-1- THEN SOUTH WESTERLY TO THE

GLENN HIGHWAY AT THE JUNCTION OF FISHHOOK-WILLOW ROAD
APPROXIMATELY ONE MILE NORTH OF PALMER; THEN SOUTH-EASTERLY etc

1 (2) Region two begins at and includes the point at which the
2 Alaska Highway intersects the Alaska-Yukon border; travels northwesterly
3 to the west abutment of the Little Tok River Bridge on Tok Cutoff Highway
4 (Milepost 91.2); then west to the northerly abutment of the McCallum
5 Creek Bridge on the Richardson Highway (Milestone 202.4); then west to a
6 point directly north of the Denali Highway at Corkscrew Creek (Milepost
7 ~~59.1) then southwesterly to the Glenn Highway at Summit (Milepost 118)~~
8 and continuing along that line to latitude 63°00'N; then west along
9 latitude 63°00'N to longitude 154°00'W; thence north along longitude
10 154°00'W; to the Arctic Ocean.

11 *OK* (3) Region three begins in the Gulf of Alaska on longitude
12 line 141°00'W; then north along longitude 141°00'W to Boundary Point
13 187; then southeasterly along the Canadian-United States border bounding
14 Southeastern Alaska in its entirety.

15 (4) Region four begins in the Arctic Ocean at Smith Bay
16 70°54'N, 154°19'W; on longitude line 154°00'W; travels south along
17 longitude 154°00'W to latitude 59°15'N in Kamishak Bay; then east along
18 *OK* latitude 59°15'N to longitude 152°15'W; then southwesterly through
19 Shelikof Strait and bounds of the entire Aleutian Chain.

20 (5) Region five begins at the Gulf of Alaska on longitude
21 line 141°00'W and travels northerly along that line to the point (but
22 not including the point) at which the Alaska Highway intersects the
23 Alaska-Yukon border; then northwesterly to the west abutment of the
24 Little Tok River Bridge on the Tok Cutoff Highway (Milepost 91.2); then
25 west to the northerly abutment of McCallum Creek Bridge on the Richardson
26 Highway (Milepost 202.4); then west to the point directly north of
27 Denali Highway at Corkscrew Creek (Milepost 59.1); then southwesterly to
28 the Glenn Highway at Summit (Milepost 118); then southerly to Prince
29 William Sound at Fairmount Point 60°53'45"N, 147°27'W.

INSERT

-2-

TO THE JUNCTION OF FISHHOOK WILLOW ROAD

LA-L 20A APPROXIMATELY ONE MILE NORTH EAST OF PALMER; THEN SOUTHEASTERLY



TO All Regional Directors
Planning & Programming
Department of Transportation
and Public Facilities

DATE: February 9, 1981
FILE NO: 300H
TELEPHONE NO: 465-3900

DIRECTOR'S OFFICE

FROM John Bates, Deputy Commissioner
Planning & Programming
Department of Transportation
and Public Facilities

SUBJECT: FY 83/84 Capital Budget

The preliminary capital budgets for FY 83/84 are requested to be in my office by August 1. They should include a project title, project scope, cost, and map showing locations.

Special attention should be paid to those projects already programmed which need additional funds.

The general amounts for discussion purposes to be programmed for general fund projects including federal match are as follows:

REGION	TRANSIT GF & GO	HIGHWAY FUNDS		AVIATION FUNDS		HARBORS, PORTS, MARINE (STATE)	MAINT. FUNDS	TOTALS	
		GF & GO	FHWA	GF & GO	ADAP			GF & GO	FED.
Central	4.0	17	75	9	12	5		35	87
Interior	3.0	13	53	7	8	3		26	61
Southeast	2.0	8	42	5	7	5		20	49
South-Central	.5	5	20	3	3	1		9.5	23
Western	1.5	5	30	4	5	4	6*	14.5 *6.0	35
TOTAL (MILLIONS)	11.0	48	220	28	35	18	6	111.0	255

*Supplied by Deputy Commissioner, Maintenance & Operations

FEB 23 1981

<input checked="" type="checkbox"/>	Engineer
<input checked="" type="checkbox"/>	Chief Engineer
<input type="checkbox"/>	Review
<input type="checkbox"/>	Technical Services
<input type="checkbox"/>	Consultant Coordinator
<input checked="" type="checkbox"/>	ISRST
<input checked="" type="checkbox"/>	Design <i>File</i>
<input type="checkbox"/>	Right of Way
<input type="checkbox"/>	Materials
<input type="checkbox"/>	Engineering Services
<input type="checkbox"/>	EIS/Permits
<input type="checkbox"/>	Traffic
<input type="checkbox"/>	Utilities/Permits
<input type="checkbox"/>	Land Design
<input type="checkbox"/>	Construction
<input type="checkbox"/>	To Main File

Also due at the same time will be the preliminary six year plan. The six year plan should be made up using a funding split of 34% Central, 24% Interior, 19% Southeast, 9% Southcentral and 14% Western, with the following general amounts per year.

1985	\$300.0 Federal	\$150.0 General Fund & G.O.
1986	-0-	\$150.0 General Fund
1987	\$325.0 Federal	\$150.0 General Fund & G.O.
1988	-0-	\$150.0 General Fund
1989	\$350.0 Federal	\$150.0 General Fund & G.O.

For the 1983/84 budget every effort should be made to program only for those phases which we anticipate will occur during the 83/84 budget years. If construction is not going to occur don't budget for it.

cc: Warren Sparks
Pat Ryan
Ray Shumway